



DAILY REPORT

CONTENTS

China

15 Jun 87

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i

INTERNATIONAL AFFAIRS

GENERAL

Commentary Finds 'Little Substance' in Venice Summit
[RENMIN RIBAO 12 Jun] A 1

UNITED STATES & CANADA

Roundup on Support for U.S. Gulf Policy B 1
U.S. Pacific Command Chief Continues Visit B 2
Meets Zhang Aiping B 2
Meets Yang Dezhi B 2

SOUTHEAST ASIA & PACIFIC

PRC Envoy: U.S.-Filipino Bases Security 'Problem'
[Manila THE SUNDAY TIMES 31 May] E 1

NEAR EAST & SOUTH ASIA

RENMIN RIBAO Views U.S., Soviet Presence in Gulf F 1
[10 Jun]
Iranian Foreign Minister Arrives for Talks [AFP] F 2
Confers With Li Xiannian F 2
Denies Receiving Arms From PRC F 4
Indian Foreign Minister Arrives for Visit [AFP] F 4
India Studies Leasing Soviet Civil Aircraft F 5

WEST EUROPE

Commentary Discusses Results of British Election H 1
[RENMIN RIBAO 13 Jun]

EAST EUROPE

RENMIN RIBAO Reports Zhao's Visit to GDR [11 Jun] I 1
Relations Betw Communist Parties Examined I 3
[Hong Kong ZHONGGUO XINWEN SHE]
Zhao Continues Czechoslovak Visit I 4
Talks With Husak Continue I 4
Interviewed by Press I 4
Zhao, Workers Discuss Reforms I 5
Zhao, Strougal Hold Talks I 5
Hu Qiaomu Meets Visitors From Yugoslavia I 6

LATIN AMERICA & CARIBBEAN

Wu Xueqian Continues Ecuador Visit	J 1
Meets President 11 Jun	J 1
Talks With Counterpart	J 1
Views Visit, USSR Relations	J 2

NATIONAL AFFAIRS

Deng Liqun Attends Talking Book Forum 11 Jun	K 1
Political Reform Seen as 'Core' of 13th Congress	K 1
[Hong Kong TA KUNG PAO 13 Jun]	
Students Reportedly Boycott Classes at University	K 3
[Hong Kong HONGKONG SUNDAY STANDARD 14 Jun]	
Threatened With Punishment [AFP]	K 3
Discipline Not Factor in College Logistics Rules	K 5
[CHINA DAILY 12 Jun]	
Leaders Urge Students To Learn From Society	K 5
Commission Explains Provisions for Study Abroad	K 6
Commentator on Theory Keeping Pace With Reform	K 7
[RENMIN RIBAO 13 Jun]	
He Jingzhi Views Antiliberalization Drive	K 9
[Hong Kong CHIUSHIH NIENTAI 1 Jun]	
Forum Convenes on Discipline Inspection Work	K 12
[HEBEI RIBAO 27 May]	
Zhao Ziyang Endorses Pollution Control Law	K 13
Ulanhu Presents Nightingale Medals to Nurses	K 14
Li Peng Addresses Flood Control Meeting	K 15
Qian Zhengying Urges Efforts Against Flooding	K 16
Hu Qili, Li Peng View Student Exhibition	K 17
Hao Jianxiu Views Fujian Children's Performance	K 18
[FUJIAN RIBAO 3 Jun]	
Yang Shangkun Criticizes Police 'Slovenliness'	K 18
China Becomes One of World's Top Submarine Powers	K 18
Cadre Punished for Retaliating Against Model Worker	K 19
[RENMIN RIBAO 4 Jun]	
CHINA DAILY Views Conditions of Contract Workers	K 20
[10 Jun]	
RENMIN RIBAO Urges Stabilizing Commodity Prices	K 22
[12 Jun]	
RENMIN RIBAO Reports Likely New Peak in Population	K 24
[12 Jun]	
Bumper Harvest Expected for Summer Crops	K 25

REGIONAL AFFAIRS

EAST REGION

KMT Spy Gets 7-Year Sentence in Jiangxi	O 1
Shanghai Secretary Attends Environmental Meeting	O 1
[JIEFANG RIBAO 6 Jun]	
Shanghai Leader Visits Scientific Research Units	O 1
[JIEFANG RIBAO 5 Jun]	

CENTRAL-SOUTH REGION

Henan Meeting Stresses Opposing Bureaucratism	P	1
Hunan's Mao Zhiyong Stresses Party Building	P	1

SOUTHWEST REGION

Sichuan's Yang Rudai Stresses Study of Speeches	Q	1
Sichuan Reports an Increase in Gift Giving	Q	3
Sichuan Urges Curbing Impositions on Factories	Q	3

PRC MEDIA ON TAIWAN AFFAIRS

LIAOWANG Views Policy on 'Three Exchanges'	U	1
[Hong Kong LIAOWANG OVERSEAS EDITION 1 Jun]		
Wang Zhen Meets Taiwan Film Artists in Beijing	U	4

TAIWAN

DPP, Nationalists Clash in Street Demonstrations	V	1
More on Demonstration	V	2
Premier Orders Investigation	V	3

HONG KONG & MACAO

HONG KONG

PRC Official 'Opposed' to 1989 Elections	W	1
[SOUTH CHINA MORNING POST 13 Jun]		

COMMENTARY FINDS 'LITTLE SUBSTANCE' IN VENICE SUMMIT

HK130740 Beijing RENMIN RIBAO in Chinese 12 Jun 87 p 7

[Commentary by correspondents Luo Jinbiao (5012 2516 2871) and Shi Kedong (0670 0344 2767): "Plenty of Lip Service, Little Substance -- Initial Analysis of the Seven-Nation Western Summit at Venice"]

[Text] Venice, 10 Jun -- The 3-day summit conference of seven Western nations concluded on 10 June. The conference issued the "Venice Declaration" and a series of statements on East-West relations, the Iran-Iraq war, and terrorism. Public opinion holds that this was a meeting of "much noise but few results" and plenty of lip service but little substance.

This conference was convened at a time when economic growth in the Western countries has slowed down and a new recession is possible. The main topic of the meeting was, as before, to coordinate western economic policies so as to stabilize currencies, restore the semblance of balance in international trade, and avoid a new recession. Each of the participants carried heavy burdens. Due to the divergence of interests between different countries, the participants could only repeat the "commitments" and "hopes" stated many times before; they did little in resolving the main contradictions and differences.

On the question of coordinating the economic policies and exchange rates of the different countries, the "Venice Declaration" reiterated the principles of the Tokyo conference, the Louvre agreement, and the Washington agreement, and laid still greater emphasis on the necessity of using economic indicators (including exchange rates) to strengthen multilateral supervision. The declaration stressed that the participating countries must decide on and forecast their medium-term economic targets and engage in individual or collective consultation and supervision regarding these targets, so that corrective measures can be taken as soon as marked deviations occur. The seven heads of state held that this is a "major step" for bringing about steady and all-round economic growth while also avoiding inflation and stabilizing exchange rates. However, it is universally held that this is "a non-binding agreement" that "only offers general principles."

The heads of state were "extremely worried" by the emergence of protectionism and pledged to "contribute toward expanding trade." However, the United States, Japan, and the FRG each stressed that it had already done everything it could, and that its partners must take action. President Reagan said that "countries with a huge surplus" should take effective measures "to further correct the trade imbalance." For his part, Prime Minister Nakasone repeatedly declared that Japan had already adopted "the biggest fiscal measures since the war," proclaiming that "no country in the world has done as much as Japan," he emphasized that Japan's huge surplus "is by no means determined only by Japan," and that the United States and Europe should also take action: The United States should cut its budget deficit, while the Europeans should further readjust their industrial structure and strive to boost exports. For his part, Chancellor Kohl stated that the FRG had "already fulfilled all its obligations," and "already made the greatest efforts in its financial policy." After bilateral talks with Nakasone, Reagan announced that the \$300 million punitive tariff on the import of Japanese electronic parts would be cut by 17 percent (\$51 million), "to observe the effect." Japan was not satisfied with this. On agricultural issues, the participants pledged merely to "resolutely and fully support" the results of the May conference of the OECD.

During the conference, the seven heads of state held that the serious debts of the developing countries "may form a threat to the political stability of the countries of the West." The conference welcomed increased Japanese and World Bank loans for the developing countries. Apart from that, the conference made no specific commitments.

Political questions took up a considerable proportion of this conference. Although the Western European countries eventually agreed with the "dual zero option" of eliminating medium and long-range missiles and short-range missiles in Europe, they were still worried about the prospects for the defense of Western Europe after the United States and the Soviet Union reach an agreement. Hence, the summit reiterated "the importance of the nuclear deterrent for preserving peace."

On the Gulf issue, the conference's "statement on the Iran-Iraq crisis" was a last-minute compromise. Early in the morning of the day the statement was issued, a press briefing announced that the heads of state had "not yet discussed" this question. Newsmen found this almost incredible. The United States originally demanded that the Western countries take part in action to ensure freedom of navigation in the Gulf, but the reaction of Western European countries was cool. The Italian prime minister explicitly declared that "we are not the marines." Hence, the United States had no choice but to retreat and try for second best by calling for "diplomatic and political support" from Western countries. It was also agreed to resolve the problem of freedom of navigation in the Gulf in connection with efforts to resolve the Iran-Iraq war through the UN Security Council. This compromise was obviously aimed at saving American face.

The heads of state have now started to leave the water city of Venice "on their way elsewhere." How much effect will this conference have? Premier Fanfani said when answering newsmen after the meeting: "I would not like to predict, I want to see what happens."

ROUNDUP ON SUPPORT FOR U.S. GULF POLICY

OW130844 Beijing XINHUA in English 0807 GMT 13 Jun 87

["Round-up: U.S. Fails to Gain Support for Gulf Policy (by Ma Shijun)" -- XINHUA headline]

[Text] Washington, June 13, (XINHUA) -- The Reagan administration doing its utmost to pursue a plan to protect Kuwaiti tankers in the Gulf under the American flag, has so far failed to gain sufficient support from its allies abroad and the Congress at home.

Earlier this week, President Ronald Reagan raised the issue of protecting shipping in the Gulf at the Venice summit, but received only tepid support from his counterparts.

A political declaration at the end of their three-day summit showed that the seven leaders endorsed the principle of freedom of navigation in the Gulf but failed to forge a unified position in the region as Reagan had wished.

Although Reagan told a news conference Thursday that he was satisfied with the limited support since "there was no criticism from any of our allies about this," the indifference and cautious response of his counterparts to Washington's menacing language aimed at Iran, nevertheless, showed their reluctance to join in U.S. efforts.

At the summit, British, French and Canadian officials asked the United States for a calmer approach to the region so as to avoid a possible conflict with Iran and a wider confrontation involving the two superpowers.

The United States has insisted that Western Europe and Japan need to do more to protect oil supplies that primarily benefit themselves.

It argues that only six percent of its oil imports come from the Gulf, while 30 percent of Western Europe's fuel and 70 percent of Japan's are shipped from there.

Last year, Kuwait asked the Americans and then the Soviets to protect its oil tankers after several had been attacked by Iran in retaliation for Kuwaiti support for Iraq, now engaged in its seventh year of war with Iran.

The Soviets responded quickly by leasing three of its vessels and offering military escorts. The United States, apparently fearing an increasing Soviet influence in the region, has decided to allow 11 Kuwaiti ships to fly the U.S. flag.

In addition, the United States also reinforced its permanent naval presence in the Gulf and is expected to escort Kuwaiti tankers through the waterway next month.

Meanwhile, Reagan's Gulf policy seems unpopular at home. Doubts are emerging from Congress over the validity and wisdom of President's plan to reflag the 11 Kuwaiti tankers.

The move, many congressmen say, might draw the United States directly into the Iran-Iraq war and the worry was heightened by last month's Iraqi missile attack on the U.S. Navy frigate Stark, which killed 27 American crewmen.

The U.S. House of Representatives voted last week to demand that the White House report on U.S. military plans in the Gulf before putting them into effect.

Some congressmen also complained that Congress has not been fully informed of the administration's plan and strategy to protect Gulf shipping.

Furthermore, in another setback for his policy in the Gulf, the President, facing growing congressional opposition, was forced to withdraw a proposal to sell 1,600 Maverick anti-tank missiles to Saudi Arabia.

The decision to hold off, at least temporarily, on the sale came at a time when the administration has been seeking Saudi help for its plan to provide military escorts for oil tankers in the Gulf.

Observers here noted that congressional rejection of the proposed 360-million dollar missile sale can be viewed as a warning that the Reagan administration should proceed cautiously before escalating the U.S. military role in the Gulf region.

U.S. PACIFIC COMMAND CHIEF CONTINUES VISIT

Meets Zhang Aiping

OW121112 Beijing XINHUA in English 1107 GMT 12 Jun 87

[Text] Beijing, June 12 (XINHUA) -- Zhang Aiping, Chinese state councillor and minister of national defense, met and gave a dinner for Admiral Ronald J. Hays, commander-in-chief of the Pacific command of the United States, and his party here tonight.

Hong Xuezhi, director of the General Logistics Department of the Chinese People's Liberation Army, gave a luncheon for the U.S. visitors here today.

Meets Yang Dezhi

OW131106 Beijing XINHUA in English 1104 GMT 13 Jun 87

[Text] Beijing, June 13 (XINHUA) -- Yang Dezhi, chief of General Staff of the Chinese People's Liberation Army, met and gave a dinner for Admiral Ronald J. Hays, commander-in-chief of the Pacific Command of the United States, and his party here this evening.

PRC ENVOY: U.S.-FILIPINO BASES SECURITY 'PROBLEM'

HK021345 Manila THE SUNDAY TIMES in English 31 May 87 pp 1, 6

[By Francis Cevallos]

[Text] The Chinese envoy to the Philippines, Ambassador Chen Songlu, said yesterday the "concrete problem" of peace and security in Asia boiled down to the presence of American military bases in the Philippines.

Chen said China did not approve of foreign bases in the region.

Chen, in a free-wheeling discussion with newsmen on a number of subjects, said the matter of U.S. bases here was "an internal domestic question addressed to the Filipinos themselves."

He said the People's Republic of China had no intention to interfere with the purely domestic affairs of the country.

"Our fundamental policy is preserving the peace, fighting hegemony, fighting aggression in the Third World, and establishing international friendship," he said.

All throughout the two hours of talks, Chen, who has been in Manila for three years, never mentioned the United States by name.

He restated his country's position on the communist insurgency problem here, which he said was "non-interference with a purely domestic problem."

He said his country did not intend to export its "brand of socialism" nor support communist rebellions in foreign countries. The Philippines and China established diplomatic relations with each other in 1975.

China, Chen said, had signed the Treaty of Raratonga which prohibits the manufacture, use and testing of nuclear weapons and dumping of nuclear wastes in the South Pacific.

He also said China was in favor of a declaration among ASEAN nations making the region a "zone of peace, freedom and neutrality (ZOPFRAN)."

The main thrust of China's foreign policy towards the Philippines is to engage in trade and improve cultural and friendly relations, he said. He said he was happy to note "good relations continue to improve and grow under President Aquino."

Chen said China wished to help the Philippines in whatever way it could economically, pointing out for example to the growth of trade relations between his country and the Philippines.

Last year, he said, China and the Philippines had a total trade of about \$230 million, with the trade surplus in China's favor.

To reduce the trade gap, he said, "We (China) had to buy more goods from the Philippines other than the traditional commodities."

RENMIN RIRAO VIEWS U.S., SOVIET PRESENCE IN GULF

HK140618 Beijing RENMIN RIRAO in Chinese 10 Jun 87 p 6

[Article by Zhu Ji (4376 1015): "Ominous 'Cooperation' and Competition"]

[Text] The Iran-Iraq war has progressed from ground actions to attacking ships on the sea; the Gulf is being stirred into troubled waters, and the wind of war is heightening. Ivanov, the person in charge of the Middle East and Gulf area affairs under the Soviet Ministry of Foreign Affairs, interviewed by the Kuwait paper "AL-RAY" "AL-AMM", demanded that no foreign fleet enter the Gulf area, and that an accord be reached on safeguarding the freedom of international navigation. Of course, there is nothing wrong with this remark. But in addition, he said, the Soviet Union will adopt all means to forcefully respond to any attack on Soviet ships in the Gulf; thus making people feel that this superpower is ready to spare no cost in fighting a war there.

Regarding the Gulf situation, Under-Secretary of State Murphy pointed out "the Soviet Union's willingness to be involved, and to help in the protection of navigation in the Gulf is aimed at making a strategic breakthrough in that area." President Reagan declared that he would never allow the Gulf "to fall under Soviet control." Regarding armed intervention of the two superpowers in the Gulf area, the French "LE FIGARO" pointed out, with sound reason: The danger of internationalizing the Gulf war has never been so great as it is today.

In November 1986, the United States and the Soviet Union simultaneously received a request to escort Kuwaiti oil tankers in the Gulf. The United States did not make a prompt response. But when it learned about the Soviet approval of the request, President Reagan followed suit quickly and approved of the escort plan. The United States has recently increased its number of ships to 10 in the Gulf, while the Soviet Union has increased its number of ships to 7. The military strength of the two superpowers is increasing rapidly. Regarding this, some of the world believes this is a strange U.S.-Soviet "cooperation" regarding the "freedom of navigation" in the Gulf, and at the same time, there is a dangerous competition between them, with each expanding their influences in the Gulf area.

The tense situation in the Gulf is a result of the continuous escalation of the Iran-Iraq war. To relax the situation there, the proper thing to do is to cool down the temperature, not to "add oil to the fire." What is worrying is the strong smell of gunpowder in the U.S. and Soviet intervention. The danger factors of armed intervention in the Gulf area are just too obvious. The United States has proposed that its allies organize a joint fleet from the United States, the United Kingdom, and France to participate and to provide military protection for passage to or from the Gulf. But these allies failed to give any active response, knowing the complexity of the Gulf situation. Moreover, the risk involved in providing escorts in the Gulf also gave rise to dispute between the U.S. Congress and the White House. According to a retired admiral, the Gulf is "the most difficult battlefield for the Navy; and I believe that is the last area in the world to intrude in without sound reasons." However, whether it is the Soviet Union that has sent its warships to the Gulf, while shouting its opposition to any form of military presence in the Gulf, or the United States that has already gotten quite warmed up to plunge into the Gulf waters for a swim, they both are making their attempts under the pretext of providing "escorts."

To restore freedom of passage in the Gulf, the fundamental way is to conclude the Iran-Iraq war; and there is no alternative. [paragraph continues]

The world community should do its best to urge Iran and Iraq to stop the war. If the United States and the Soviet Union should compete to send more warships to the Gulf, and become directly involved in the conflict there, it will only make the problems all the more complicated, and nurture still greater danger of unrest in the Gulf situation.

IRANIAN FOREIGN MINISTER ARRIVES FOR TALKS

HK121130 Hong Kong AFP in English 1113 GMT 12 Jun 87

[Text] Beijing, June 12 (AFP) -- Iranian Foreign Minister 'Ali Akbar Velayati arrived in Beijing Friday for a short visit amid international concern about the possible use by Iran of Chinese weapons against ships in the Gulf.

His visit coincides with Chinese consideration of a Kuwaiti request that Beijing cooperate with Washington and Moscow in protecting its oil tankers in the Gulf against Iranian attacks observers noted.

No Chinese officials greeted Mr Velayati at the the airport and he made no statement.

The Iranian Minister was due to hold talks with Chinese Foreign affairs officials, an Iranian diplomatic source said, adding that Mr Velayati was putting forward an eight-point programme for ending the war with Iraq.

Under this plan neither side would attack Gulf shipping, the source said.

On Wednesday, the Chinese Government again denied selling weapons to Iran, three days after U.S. State Department spokesman Phyllis Oakley said Beijing could play a "very positive" role in the Gulf situation by stopping the delivery of arms to Tehran.

Washington has repeatedly claimed that Beijing sold Iran anti-ship Silkworm missiles that now threaten shipping in the strategic Strait of Hormuz at the mouth of the Gulf, through which passes much of the world's oil.

Beijing officially takes no sides in the Gulf war and has regularly called for an end to hostilities.

Last month, Palestinian leader Abu Iyad said after meeting Chinese officials that Beijing had begun an inquiry to identify a third country that was supplying Chinese-made weapons to Iran.

Mr Velayati is due to leave Beijing before the weekend, the Iranian diplomatic source said.

Confers with Li Xiannian

OW131558 Beijing XINHUA Domestic Service in Chinese 0631 GMT 13 Jun 87

[Text] Beijing, June 13 (XINHUA) -- Chinese President Li Xiannian called on all parties involved to stop all military action and armed threats in the Persian Gulf immediately to ensure the safety and freedom of international navigation there.

He also called on Iran and Iraq to stop their war as soon as possible to avoid the involvement of and interference by big powers so that peace, security and stability can be realized in the region as soon as possible.

The Chinese president made these remarks today at a meeting with Iranian Foreign Minister 'Ali Akbar Velayati here today.

Li said that the Iran-Iraq war, which has been going for seven years, has caused enormous losses in human life and property on both sides. "We are greatly concerned about this," he added.

He said the Iran-Iraq war has become increasingly grave recently with the escalation of the war on land and its expansion to the Persian Gulf, and put countries along with the Gulf coasts not involved in the war into a very dangerous and difficult position.

He pointed out that the two superpowers have taken advantage of the situation, making the turbulent Gulf situation even more complicated and tense. "There is a danger the Iran-Iraq war might be internationalized. China is greatly concerned about this," Li said.

Li Xiannian said: "We urge all parties involved to immediately stop all military actions and armed threats in the Gulf region to ensure the safety and freedom of international navigation there."

"China holds that problems in the Gulf region should be solved by countries along the Gulf coasts through consultations without outside interference. We have an old saying in China that when the snipe and the clam grapple, the fisherman profits," he added.

He reiterated that the Chinese Government will continue to maintain its neutrality and active persuasion toward the Iran-Iraq war, and will not support any side nor add fuel to the situation.

"Both Iran and Iraq are China's friends. We hope the two countries will stop their bloodshed and conflicts as soon as possible and resolve their conflicts under terms acceptable to both through peaceful negotiations. We support the mediating efforts of the United Nations secretary general to end the Iran-Iraq conflicts on a just and reasonable basis," he said.

He noted that the Chinese Government supports all actions favorable to maintaining the security and free navigation in the Gulf and opposes any involvement and interference by big powers.

"We hope for an early realization of peace, security and stability in the whole Gulf region," he added.

During the meeting, Velayati conveyed a message from Iranian President Khamenei to the Chinese president. In his message, the Iranian president said that Iran stands for ending all attacks on any vessel passing through the Persian Gulf and agrees to the statement made by a Chinese foreign ministry spokesman in this regard.

Velayati also briefed the Chinese president on the situation in the Persian Gulf, the recent development of the Iran-Iraq war and Iran's stand.

Both Li and Velayati expressed satisfaction with the development of friendly Sino-Iranian relations in recent years and hoped the two countries will continue their efforts to further such relations.

Velayati is now visiting China on his way home after attending a ministerial conference of nonaligned countries on South-South cooperation held in Pyongyang.

Denies Receiving Arms From PRC

OW131220 Beijing XINHUA in English 1211 GMT 13 Jun 87

[Text] Beijing, June 13 (XINHUA) -- Iran has not received any weapons from China directly or indirectly, Iranian Foreign Minister 'Ali Ak'ar Velayati said here this afternoon.

Answering a question at a press conference he gave at the Iranian Embassy here, Velayati said Iran can meet its armament requirements from any place Iran deems suitable, except from Israel and South Africa. Iran can also produce weapons domestically he added.

He denied any joint projects between Iran and China on manufacturing weapons.

Velayati said that security of the Gulf region depends on the countries in this region, reiterating that "we do not let the external powers interfere in the affairs of the region and the Persian Gulf. We know how to defend our interests in the Persian Gulf and we have proven, so far, that we are able to do so".

He said, "We are against the notion that the war should be controlled by the two superpowers or several big powers."

"It is evident that the Chinese are fully aware of our views towards the Persian Gulf," the Iranian foreign minister said, adding that Iran supports China's proposal that no ships should be attacked in the Persian Gulf, which was announced by the Chinese Foreign Ministry spokesman recently.

He pointed out that if the big powers in the world and other countries wish to see security and tranquility in the Persian Gulf and if they are sincere about their wish, they should follow the principle that no ships should be attacked in the Persian Gulf.

On Iran's relations with China, the Iranian foreign minister said that Iran and China held similar views on many international and regional issues.

INDIAN FOREIGN MINISTER ARRIVES FOR VISIT

HK140807 Hong Kong AFP in English 0804 GMT 14 Jun 87

[By P'erre-Antoine Donnet]

[Excerpt] Beijing, June 14 (AFP) -- Indian Foreign Minister Narain Dutt Tiwari arrived here Sunday amid continuing border tension between India and China, declaring there was "much to discuss" during his two-day visit.

"We look forward to use this opportunity to exchange views on all matters of mutual interest with the Chinese government," said Mr. Tiwari, the most senior Indian official to visit China since 1979.

"It is the mutual desire of the leaders of both our countries that all opportunities available should be used for discussions in order to deepen our mutual understanding and to seek an improvement of our relations," he added.

Mr. Tiwari's visit comes after a three-month spate of accusations of border violations and allegations of military encounters by both sides, which at the same time have been trying to defuse the tension.

On the eve of the Indian foreign minister's arrival, Indian General I.S. Cheema accused the Chinese of a new intrusion in a disputed area of the northeastern Indian state of Arunachal Pradesh.

Gen. Cheema gave no date, but said senior border officials from both sides had met three times recently in the Sundoong Chu valley to ease tension.

When asked the date of the latest encounter between Indians and Chinese along their joint 4,200-kilometre (2,625-mile) border, Mr. Tiwari replied: "There was no incident."

"I am convinced however that both sides will approach the discussions in the larger context of developing friendship and enhancing mutual understanding and developing all-round relations," he said.

The Indian foreign minister flew in from North Korea, where he attended a non-aligned movement meetings, and was welcomed by Yang Zhenya, head of the Chinese Foreign Ministry's Asian Affairs Department.

He is scheduled to meet Wan Li, acting prime minister while Zhao Ziyang tours Eastern Europe, and will talk with several other Chinese leaders, according to Indian diplomats.

Mr. Tiwari will be trying to find ways of avoiding border encroachments and encounters in disputed areas and to agree on a date, probably before the end of this year, for an eighth round of talks on frontier differences, according to Western diplomats in Beijing. [passage omitted]

INDIA STUDIES LEASING SOVIET CIVIL AIRCRAFT

OW091302 Beijing XINHUA in English 0939 GMT 9 Jun 87

[Text] New Delhi, June 9 (XINHUA) -- India is examining the feasibility of acquiring Soviet aircraft for civil aviation which is faced with soaring prices of Western aircraft and long-waiting period before deliveries, local press reported today.

As a first step India may acquire on lease some aircraft from the Soviet airliner by paying a mutually agreed rental for the aircraft.

The report said that leasing will help avoid immediate capital investment to acquire such aircraft.

The report added that India will soon send an experts team to explore the Soviet civilian aircraft market.

COMMENTARY DISCUSSES RESULTS OF BRITISH ELECTION

HK130912 Beijing RENMIN RIBAO in Chinese 13 Jun 87 p 6

[Commentary by correspondent Li Yunfei (L 21 0061 7378): "Why the Conservative Party Was Able To Win a Third Successive Term"]

[Text] Initial results of the U.K. general election have been known and Mrs Thatcher will be able to win her third successive term with a considerable majority. This is the first time that this has happened in the past century and a half. Because of the intense competition, the Conservative Party's victory has drawn much attention.

Over the past 3 weeks or so, when the political parties were campaigning, the performance of Labour Party has been very impressive. People generally thought that the Labour Party had outshone other political parties and that Kinnock had greatly improved his image. This time, the Labour Party won more seats than it did in the 1983 general election. However, the number of seats won this time is still far from satisfactory. According to a British commentator, the reason is simply that the Conservative Party still basically has the economic cards in its hands.

Over the past 8 years, during which the Conservative Party was in power, the United Kingdom has seen many social changes. Since 1981, the U.K. economy has grown steadily at an average rate of 2 to 3 percent. On the other hand, inflation has dropped from 10.4 percent in 1979 to the present 4 percent. Living standards have improved. In 1979, about 54 percent of all families in the country owned their own houses. Now, however, 66 percent of the families in the country own their own houses. The number of families with their own cars has grown by about the same proportion. As a result of the Conservative Party's vigorous efforts to privatize national enterprises, the proportion of stock and share holders to the total number of voters has risen from 7 percent in 1979 to the present's 20 percent. This means that about 9 million of the total number of voters are stock and share holders. This number is about the same as the total membership of various trade unions. The social structure has also changed significantly. The middle class, which in the past constituted about 30 percent of the country's total population, now constitutes 40 percent of the population. What was commonly referred to in the past as the "U.K. syndrome" has to a certain extent been cured. The time when the United Kingdom was referred to as "the sick man of Europe" has become history. Over the past 8 years, the North Sea oilfield has turned out a total income of 60 billion pounds for the British Government. This gives the British Government room to maneuver in pursuing its economic policy.

However, the United Kingdom has achieved all this at a cost. Unemployment has risen from 5.6 percent to the current 11 percent. Although according to government statistics, the number of unemployed people has dropped over the past few months, the number of unemployed people now still stands at over 3 million. Although the manufacturing industry has raised efficiency and productivity, output is still below that in 1979. The proportion of its output value in the national economy has dropped from 29 percent in 1979 to 24 percent. This problem is even more serious in some parts of northern and central England, Scotland, and Wales, where the manufacturing industry is concentrated. By cutting back on spending, the British Government has invited criticism from such areas as education, public health, and social welfare. The unprecedentedly intense competition in the course of this general election is a reflection of the intensification of these social contradictions.

In view of all this, the Labour Party tried to rally support before the election by promising to reduce unemployment and to improve education, public health service, and social welfare. However, more people have benefited under the rule of the Conservative Party, particularly in the rapidly developing southern England. If one maintains that both the Conservative Party and the Labour Party have strong points and weaknesses as far as their economic policies are concerned, one should be able to see that Mrs Thatcher's insistence on the retention of the country's independent nuclear deterrent strength gives the Conservative Party a distinct advantage. Some people have estimated that the Labour Party's non-nuclear policy has cost it 5 percent of its support. This 5 percent is crucial.

The Social Democratic Party and the Liberal Party Alliance also did not do well in the election, either. The reason is simply that neither one has a distinctive policy or appeal. Their poor campaign strategies are also to blame for their poor performance.

The results of this general election also show that the Labour Party has recovered from its failure in the 1983 general election, that in the future, British politics will continue to be dominated by the competition between the Conservative and Labour Parties, and that it is difficult for a third political party to rise to prominence in the near future. In addition, the fact that the Labour Party fares better in the north, whereas the Conservative Party fares better in the south shows that the gap between the rich and the poor, that is, between the south and the north, is widening. This will make things difficult for the Conservative government in its third term. In the next 5 years, the Conservatives will vigorously pursue what is referred to as "Thatcherism" and the British society will develop along the course it prescribes. Some people have noticed that Mrs Thatcher is honored with "Thatcherism," which is named after her, while other prime ministers have never been honored in such a way. This is something worth giving thought to.

RENMIN RIBAO REPORTS ZHAO'S VISIT TO GDR

HK140154 Beijing RENMIN RIBAO in Chinese 11 Jun 87 p 6

["Newsletter from Democratic Germany" by RENMIN RIBAO reporters Zhou Xiangguang (0719 6272 0342) and Li Hong (2621 4767): "Strengthen Cooperation, Defend Peace"]

[Text] Berlin was in high spirits and full of joy. When Zhao Ziyang, acting general secretary of the CPC Central Committee and premier of China's State Council, visited Democratic Germany, Berlin was just celebrating the 750th anniversary of its establishment. This city, which has a long history and was seriously devastated during World War II, now presents its new appearance to Zhao Ziyang and other Chinese comrades. The Chinese guests visited the city with a special feeling of excitement and admiration. This country is the motherland of the great teachers Marx and Engels, and this well-known city is also an unforgettable place where footprints of Marx and Engels in their revolutionary career can be found and where Zhou Enlai, Zhu De, and other veteran Chinese proletarian revolutionaries sought revolutionary truth, studied, and carried out revolutionary activities.

During the 3-day visit, in his speeches delivered in talks and at banquets, Comrade Zhao Ziyang emphatically pointed out the importance of safeguarding peace in Europe and the world and praised the unremitting efforts and great contributions made by the party and Government of Democratic Germany, and particularly by Comrade Honecker, in safeguarding world peace and in seeking dialogue and bringing about detente in Europe. It is precisely due to the sufferings brought by the war to the great country and people that Comrade Honecker time and again pointed out that safeguarding peace in Europe and the world is the main purpose of Democratic Germany's foreign affairs and that he hoped to avoid another war in Germany. His remarks were highly valued by Comrade Zhao Ziyang. The Chinese people also suffered from wars and turbulence, so safeguarding world peace is China's basic national policy, as well as the prime issue about which the people and leaders of the two countries are very much concerned.

During their visits to Berlin and Dresden, the Chinese guests understood more deeply why the people of Democratic Germany treasure peace so much. During World War II, half of Berlin's buildings were destroyed and the people of Democratic Germany, with their traditional moral integrity, diligence, determination, perseverance, and being eager to make progress, built row upon row of high-rise buildings and well-laid-out grand streets. The 365-meter television tower with a revolving restaurant erected in the Alexandra Square has become a new symbol of Berlin. Such historical buildings as the National Opera House, the History Museum, and the National Library on both sides of the pipe-lined street are as magnificent as before like reborn phoenixes. The place where the fascists burned famous literary works of Germany and the world has now become a square named after Bebel, a revolutionary. On 1 September every year, the day when Hitler launched the war, people of Berlin gather here to express their desire and determination to oppose wars and safeguard peace. Beethoven's Ninth Symphony, which expressed the joy of victory, is also played here. Dresden, which Zhao Ziyang and other comrades made a special trip to visit, was also rebuilt on the ruins. All these achievements are hard-won. It is natural that the people of Democratic Germany hate wars and are unwilling to see their hard-won achievements of labor to be destroyed again.

There exists a long-standing and traditional friendship between the Chinese people and the people of Democratic Germany. At a welcoming banquet given by Comrade Honecker, Comrade Zhao Ziyang particularly pointed out: "The Chinese people have achieved victories in their revolution and are building socialism under the guidance of the great theory of Marx and Engels, the great sons of the German people, and in connection with China's practical situation." Due to this long-standing revolutionary friendship, the Chinese guests were warmly welcomed everywhere. The people of Berlin and Dresden expressed their sincere feelings for the Chinese guests in various ways. Wherever the Chinese guests went, many people waited there to warmly welcome them. It was a rainy day when the leaders of the two countries held official talks in the Council of State Building, but several hundred people gathered in front of the building for more than 3 hours and did not leave until they saw off Comrade Zhao Ziyang and his party after the conclusion of the talks.

What impressed the Chinese guests most was that Democratic Germany, in order to pass the profound friendship between the people of the two countries from generation to generation, has decided to change the name of the No 28 Comprehensive Technology School in Berlin City's Oberschoenhausen District into the name of the Marshal Zhu De Comprehensive Technology School. When Comrade Zhao Ziyang came to the school to attend the naming ceremony on the morning of 10 June, he was warmly welcomed by the teachers and students of the school. After Berlin Mayor Krack announced the decision to rename the school, Comrade Zhao Ziyang delivered a speech. He said that the school, being named after Marshal Zhu De, showed the respect of the people of Democratic Germany for Marshal Zhu De and also reflected the traditional revolutionary friendship between the people of the two countries. The Chinese people will remember forever the contribution made by the people of Democratic Germany to China. In the midst of music, people unveiled the school signboard. A music teacher said that in order to let the children know and learn from Comrade Zhu De, they would set up a memorial room to introduce Comrade Zhu De's life. Comrade Zhu De's portrait has now been hung in the entrance and hall of the school, beside Comrade Thalmann's portrait. This is to let the children know that Zhu De is a great figure like Thalmann.

The profound friendship between the people of the two countries is a solid foundation for promoting friendly cooperation and ties between the two countries. Thanks to the efforts made by the two sides, the friendly ties between the two countries in many fields have developed strikingly. While in Dresden, whether the Chinese guests visited the state-run Niles Electric Machinery Plant or Semper Opera House, there were many touching and moving scenes. The singers of the Semper Opera House sang Schubert's famous songs to welcome Zhao Ziyang. Comrade Xiong Fan De, chairman of the opera house who studied in China in the 1950s, extended a warm welcome to Comrade Zhao Ziyang in fluent Chinese.

During the visit, the leaders of the two countries expressed satisfaction at the friendly cooperation between the two countries in recent years. Comrade Honecker's visit to China last year opened a new chapter in the relations between the two parties and the two countries. Comrade Zhao Ziyang's visit to Democratic Germany will further promote the friendship between the people of China and Democratic Germany to a new level.

RELATIONS BETWEEN COMMUNIST PARTIES EXAMINED

HK121532 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1356 GMT 12 Jun 87

[Commentary by reporter Guo Jian (6753 0256): "Mutual Noninterference Between Various Parties and Cooperation Unaffected by Differences" -- ZHONGGUO XINWEN SHE headline]

[Text] Prague, 12 Jun (ZHONGGUO XINWEN SHE) -- Last night, at a welcome banquet hosted by Husak, general secretary of the CPCZ [Czechoslovak Communist Party] Central Committee and president of Czechoslovakia, in honor of Zhao Ziyang, acting general secretary of the CPC Central Committee and premier of China's State Council, the latter reiterated the principle by which one communist party handles its relations with another, that is, the principle of independence, being the master of one's own affairs, complete equality, mutual respect, and noninterference in one another's internal affairs and pointed out that both large and small parties should observe this principle. Public opinion here holds that this speech by China's topmost [as received] leader has practical significance.

In the fifties, both the communist parties of various countries and the communist camp had a "head." History has shown that such a "head" cannot do anything to advance the socialist cause. The five principles of peaceful coexistence are a criterion for handling relations between countries with different systems as well as for handling relations between countries with similar social systems. In handling the relations between communist parties, one must also observe the principle of complete equality between parties of different sizes.

Various countries have different conditions and they formulate different policies. This is what is described as their differences. Not long ago, at a meeting with the visiting Prime Minister of Czechoslovakia Strougal, Premier Zhao Ziyang stressed that China attaches great importance to those things the two countries have in common and that it fully understands the differences resulting from their different circumstances. Last night, he further indicated that China fully respects the internal and foreign policies formulated by Czechoslovakia and other socialist countries in Eastern Europe on the basis of their own circumstances and national interests. He said: "It is natural that there should be differences, and these differences do not affect the development of relations and cooperation between them."

Concerning cooperation, Zhao Ziyang said: It is necessary to earnestly and actively develop the economic relations and trade between China and the socialist countries in Eastern Europe by various means. They can, depending on their needs and the possibilities, learn from one another and supply what the other needs so that their relations can develop steadily and in an in-depth manner.

Actually, the cooperation between China and the socialist countries in Eastern Europe has significantly developed in recent years. One can take the volume of trade between China and Czechoslovakia as an example. It rose from 825 million Swiss francs in 1985 to 953 million Swiss francs, an all-time high, in 1986.

ZHAO CONTINUES CZECHOSLOVAK VISIT

Talks With Husak Continue

OW121234 Beijing XINHUA in English 1227 GMT 12 Jun 87

[Text] Prague, June 12 (XINHUA) -- Chinese and Czechoslovak leaders Zhao Ziyang and Gustav Husak met here again this morning for what was described as "sincere and friendly" talks.

This is their third meeting since Zhao, acting general secretary of the Chinese Communist Party and premier of the State Council, arrived here yesterday morning on an official visit.

A Chinese source travelling with Zhao told the press that in today's meeting, the two leaders informed each other of the political and economic situation in their respective countries and had an exchange of views on a number of international issues which concerned both sides.

No other details about the talks were disclosed.

The Czechoslovak leader accompanied his distinguished Chinese guest on a tour of a factory near Prague earlier today that produces military training planes.

Zhao will hold talks with Premier Lubomir Strougal of Czechoslovakia this afternoon.

Interviewed by Press

OW122126 Beijing XINHUA in English 1113 GMT 12 Jun 87

["Chinese Leader Interviewed by Czechoslovak Press (by Fan Yuan)" -- XINHUA headline]

[Text] Prague, June 12 (XINHUA) -- Chinese leader Zhao Ziyang today said there is great potential in developing economic ties with Czechoslovakia and joint efforts should be made to find new areas and forms of cooperation.

In an interview with the Czechoslovak press on the second day of his visit to the country, Zhao said that although economic relations between the two countries have developed smoothly in recent years, great potential remain to be tapped to help supply each other's needs.

The Chinese leader suggested that efforts be made to set up joint ventures, transfer technology and update enterprises.

Trade relations between China and Czechoslovakia have grown rapidly over the past few years. The two-way trade volume in 1984 doubled that in 1983, and the volume in 1986, 15.5 percent over the previous year, reached some 1.55 billion Swiss francs (about 660 million U.S. dollars).

Zhao, acting general secretary of the Chinese Communist Party and premier of the State Council, said the forthcoming 13th National Congress of the Chinese Communist Party will give top priorities to reform in accordance to the guidelines of building socialism with Chinese characteristics.

During the interview, Zhao, who is on a five-nation East European tour, described as very fruitful his talks with Czechoslovak President Gustav Husak and Premier Lubomir Strougal in the past two days.

The Chinese leader will travel to Bratislava, capital of the Slovakia, one of the two republics of the country.

Zhao already visited Poland and Democratic Germany in addition to Czechoslovakia since he began the tour June 4. He will continue his journey to Hungary and Bulgaria.

Zhao, Workers Discuss Reforms

OW121442 Beijing XINHUA in English 1431 GMT 12 Jun 87

["Chinese Leader Chats With Czech Workers About Reforms (by Fan Yuan)" -- XINHUA headline]

[Excerpts] Prague, June 12 (XINHUA) -- Chinese leader Zhao Ziyang, on the second day of an official visit to Czechoslovakia, chatted about reforms with workers today in a training plane factory near the capital.

Hundreds of workers, jamming an assembly workshop of Vodochody training plane factory, cheered enthusiastically as Zhao and Czech President Gustav Husak stepped in for a visit.

The factory, located 25 kilometers north of Prague, was set up in 1953 to produce aircraft for pilot and cosmonaut training. [passage omitted]

Following the visit in the workshop, leaders of both countries were invited to watch aerobatics performed by I-39s, the major product of the factory.

Briefing reporters about the factory, which was said to be one of the largest of its kind in the world, Stanislav Dovrak, a factory official, said planes produced in Vodochody have been exported to 15 countries.

Zhao, Strougal Hold Talks

OW121822 Beijing XINHUA in English 1809 GMT 12 Jun 87

[Text] Prague, June 12 (XINHUA) -- The talks between visiting Chinese Premier Zhao Ziyang and his Czechoslovak counterpart Lubomir Strougal here this afternoon centered on matters concerning economic cooperation between the two countries.

Zhao reaffirmed that China takes an positive attitude towards its economic, trade, scientific and technological cooperation with the socialist countries in Eastern Europe and that its policy of opening to the outside world also applies to its links with these countries.

He called for joint efforts to seek new ways and means to expand their cooperation. They can use the forms in their cooperation that have already been used in China's economic links with other countries, or they can discuss any other forms which have not yet been put into practice, he suggested.

Strougal recalled the history of very close economic relations between the two countries in the 1950s, during which Czechoslovakia once had some 3,000 specialists and technical personnel working in China and participated in the construction of some industrial enterprises.

Noting that bilateral relations became active once again in recent years, he said the two sides must not rest content with what has been achieved and they should try to advance the relations to a still higher level.

He offered some ideas on how to expand economic and trade cooperation, of which, he proposed, the emphasis be placed on building up closer links in the power, machine-building and food processing industries.

The Chinese premier thanked the Czechoslovak specialists and technical personnel for their assistance to China in its economic construction in the 1950s and invited some of them to go and see China again.

Zhao agreed with his host that Sino-Czechoslovak economic cooperation should be placed on a long-term and stable basis. He promised to study seriously the proposals put forward by Strougal for enhancing bilateral economic cooperation.

This afternoon's talks were held in the Hrzansky Palace, the venue of official functions for the Czechoslovak premier. He greeted Zhao with the remarks: "You've brought us fine weather and I hope you won't take it away when you leave."

Zhao paid high tribute to Strougal's visit to Beijing last April, which he described as "a great success."

The Chinese leader, who is also acting general secretary of the Chinese Communist Party, has held several rounds of talks with the Czechoslovak Communist Party General Secretary and President of the country, Gustav Husak, since he arrived here Thursday morning. Husak has accepted an invitation to visit China, with the date of the trip to be decided.

HU QIAOMU MEETS VISITORS FROM YUGOSLAVIA

OW140129 Beijing XINHUA in English 0123 GMT 14 Jun 87

[Text] Beijing, June 14 (XINHUA) -- Hu Qiaomu, member of the Political Bureau of the Chinese Communist Party Central Committee and honorary president of the Chinese Academy of Social Sciences, met Yugoslav visitors here this morning.

The visitors are Anton Vratosa, former vice-president, and Ljubisav Markovic, former member, of the Federal Executive Council of Yugoslavia.

Hu Sheng, president of the Chinese Academy of Social Sciences, was present.

WU XUEQIAN CONTINUES ECUADOR VISIT

Meets President 11 Jun

OW132038 Beijing XINHUA Domestic Service in Chinese 1144 GMT 12 Jun 87

[Text] Quito, 11 Jun (XINHUA) -- Ecuadoran President Febres-Cordero had an audience and friendly conversation with visiting Chinese State Councillor and Foreign Minister Wu Xueqian at the presidential building today.

Febres-Cordero indicated at the meeting that Ecuador is willing to strengthen its ties with China.

During the same afternoon, Wu Xueqian paid a courtesy call to Ecuadoran Vice President Penaherrera.

Foreign Minister Wu and his party arrived in Quito on 11 June after visiting Peru.

On the same day Ecuadoran Foreign Minister Garcia Velasco hosted a luncheon in honor of Wu Xueqian. In his welcoming speech, Garcia stressed that China occupies an extremely important place in the international community, and that "Ecuador shares China's views on many international issues." He hoped that ties between the two countries can be strengthened.

In his speech, Wu Xueqian expressed profound sympathy for the difficult situation facing Latin American debtor countries, and hoped that both creditor and debtor countries would seek positive ways to settle the foreign debt issues through consultations. Wu Xueqian reiterated that, as a Third World country itself, China always regards strengthening unity and cooperation with Third World countries as the fundamental point of its foreign policy, and that China supports the Third World's struggle to restructure the irrational international economic order.

Talks with Counterpart

OW130638 Beijing XINHUA in English 0627 GMT 13 Jun 87

[Text] Quito, June 12 (XINHUA) -- Chinese State Counselor and Foreign Minister Wu Xueqian and Ecuadoran Foreign Minister Rafael Garcia Velasco held a work session this morning in the Ecuadoran Foreign Ministry.

The two foreign ministers exchanged viewpoints on important world problems. With regard to regional conflicts, both diplomatic chiefs agreed on the necessity for peaceful solutions through dialogue.

Foreign Minister Rafael Garcia declared that the Ecuadoran Government is willing to resolve the frontier conflict with the Peruvian Government in a peaceful manner through negotiations.

Foreign Minister Wu Xueqian praised the Ecuadoran position and expressed his hope that Ecuador and Peru could solve peacefully this long-standing problem.

During the meeting, the Chinese foreign minister also explained China's foreign policy to his Ecuadoran colleague, saying that China follows a foreign policy of independence, self-determination and peace, and to abstain from establishing alliance with any of the superpowers, because such an alliance will harm world peace.

He said China also attached major importance to the unity and cooperation with Third World countries.

The Chinese foreign minister indicated, as well, that China is opposed to U.S. aid to the Nicaraguan "contra" rebels, because this is an intervention in the affairs of other country.

Views Visit, USSR Relations

OW140714 Beijing XINHUA in English 0702 GMT 14 Jun 87

["Chinese Foreign Minister: Ecuador Visit Successful" -- XINHUA headline]

[Text] Guayaquil, Ecuador, June 13 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xuenqian ended his visit to Ecuador this afternoon and left for Santiago, Chile, the last stop of his tour of three South American countries.

During his stay in Ecuador, Wu exchanged views with Ecuadoran leaders on Sino-Ecuadoran relations and other international issues.

Wu and his Ecuadoran counterpart, Garcia Velasco, signed a credit cooperation agreement. Under the agreement, China will grant Ecuador an interest-free credit worth about 10 million yuan (some 2.7 million dollars).

Wu also signed an agreement for the reciprocal exemption of diplomatic passport and services (official) visas, making it easier for official and diplomatic visitors to obtain visas.

The Chinese foreign minister, meanwhile, also met with representatives of the Chinese community.

Wu said China welcomes foreign investors to establish enterprises in China.

However, Wu said, the volume of trade between China and Latin American countries is still limited.

Latin America is a continent rich in natural resources and has a considerably high level of industrial development, Wu said.

China is currently engaged in the modernization of its economy on a large scale, Wu said, adding that with the steady growth of mutual understanding between China and Latin America, trade exchanges between them will see great development.

Asked about the state of Sino-Soviet relations, Wu said the two countries have exchanged views and enjoyed moderate development in the commercial, economic, technical and cultural fields.

However, Wu said, the Chinese Government expects the Soviet Union will take all necessary action to eliminate the three big obstacles that hamper the normalization of Sino-Soviet relations, namely, to stop supporting Vietnam in its occupation of Kampuchea, to withdraw massive troops deployed along the Sino-Soviet border, and to pull out occupation troops from Afghanistan.

During his visit, Wu said, he had talks with President Leon Febres Cordero and other Ecuadoran leaders. "I consider this visit successful, I can say I am satisfied," Wu said at a press conference at Mariscal Sucre International Airport.

DENG LIQUN ATTENDS TALKING BOOK FORUM 11 JUN

OW130319 Beijing XINHUA Domestic Service in Chinese 1141 GMT 11 Jun 87

[By reporter Xu Xinhua]

[Excerpts] Beijing, 11 Jun (XINHUA) -- A set of talking books entitled "Heartfelt Wishes of Revolutionary Predecessors," which record revolutionary predecessors' memories of the past and their wishes for the younger generation, have been published by the Shanghai Talking Book Company and will be distributed throughout the country beginning today.

This afternoon, the talking book company sponsored a forum at the Great Hall of the People in the capital to mark the publication and distribution of the talking books. Deng Liqun, Wang Ping, Wu Xiuquan, Ye Fei, Kang Keqing, Yang Chengwu, and Chen Zaidao as well as Li Jukui, Shuai Mengqi, Yang Xianzhen, and several other comrades attended the forum along with representatives of young people in the capital.

Edited by the editorial departments of the Shanghai Talking Book Company and the Shanghai journal, ZHIBU SHENGHUO [PARTY BRANCH LIFE], the talking books are a collection of recorded talks made by 32 veteran revolutionaries since December 1985 under the titles: "To Our Young Friends," "The Generals Words," and "Mothers Wishes." [passage omitted]

Addressing the young people at the forum, Comrade Wu Xiuquan said: "Young people are the hope and the future of our country. You remind us of the days when we were young. When we were in our late teens and early twenties, we were full of ambitions. In those days, young people, after all kinds of twists and turns and hardships, found the truth that only the CPC could save China and lead it in achieving liberation and prosperity. Although your situation now is different, many principles, such as those governing how people should set their goals and achieve them, remain the same. From the bottom of our hearts we wish that you will mature quickly and become pillars of socialist material and spiritual construction." [passage omitted]

Li Yan, deputy head of the Propaganda Department of the CPC Central Committee; and Liu Yandong, member of the Secretariat of the CYL Central Committee and president of all All-China Youth Federation; and Liu Ying, an author of talking books, also addressed the forum. [passage omitted]

POLITICAL REFORM SEEN AS 'CORE' OF 13TH CONGRESS

HK130150 Hong Kong TA KUNG PAO in Chinese 13 Jun 87 p 2

["Political Talk" column by Shih Chun-yu: "Political Reform Is the Core of the 13th Party Congress in Autumn"]

[Text] Deng Xiaoping Again Mentions 13th Party Congress [subhead]

Meeting yesterday with Yugoslav friends, CPC Central Committee Advisory Commission Chairman Deng Xiaoping stressed yet again that the pace of China's reforms must be speeded up. Political structural reform has now been put on the agenda, and this will be one of the main items on the agenda of the 13th National Party Congress in October. This congress will put political structural reform into shape.

It merits attention that senior CPC leaders in Beijing, together with acting party General Secretary Zhao Ziyang, now visiting Eastern Europe, have all recently stressed that the policy of reform and opening up should be speeded up. They have all explicitly pointed out that one of the central items on the agenda of the 13th Party Congress to be held in October is political structural reform, and another is personnel reshuffle. The 13th Party Congress' discussions on political structural reforms are bound to further spur the pace of reform and opening up.

The Current Task Is to Oppose Ossification and "Leftism" [subhead]

Since the resignation of Hu Yaobang in January, leaders such as Deng and Zhao have repeatedly declared that there will be no change in China's policy of open economy, and that the struggle against bourgeois liberalization is mainly to be waged in the party and will certainly not affect reforms and opening up. However it is a fact that certain people who view opposition to bourgeois liberalization from an ossified viewpoint have appeared as ultra "leftist" obstacles. These people are accustomed to viewing reforms and opening up from a "leftist" angle; they totally ignore the tremendous achievements and pin the blame for certain shortcomings on the guideline of "reform, opening up, and invigoration." These people exist from the central authorities above down to the localities below. They use certain meetings, newspapers and journals to lay one-sided stress on opposing bourgeois liberalization and apply ossified and dogmatic theories to view the new things that emerge in reforms and opening up. This has aroused Beijing's vigilance, and leaders there have pointed out that rightism or "leftism" should be opposed as appropriate; and the current main obstruction still comes from the "left."

China Has Suffered Enough From "Leftism" [subhead]

China has suffered enough from "leftism" since the founding of the country, but some people are still deeply poisoned by it. This is the result of the old structure that formed over several decades, together with the force of habit and outdated concepts, and is very hard to change. Certain cadres were personally persecuted by the ultra "leftist" line during the "Cultural Revolution," yet when they resumed work and took up important posts, "leftist" things were again manifest in them. People should know that affairs today, especially people's thinking, are not the same as 20 or 30 years ago, and that the use of ossified and notional theories and calls cannot resolve the problems in people's state of mind.

The Door of Opening Up Has Been Opened [subhead]

These people with ossified concepts have no liking at all for reform and opening up. It is precisely because their thinking is ossified that they cannot see that "the door of China's opening up is already open, and anyone who wants to close it and lock horns with the people will fall in the end" (Tianjin Mayor Li Ruihuan's words).

It should also be realized at present that the Soviet Union and Eastern Europe are exploring still more extensive reforms and opening up, so how could China go back to a closed state? Deng Xiaoping has again emphasized: "In short, China is following the right road in carrying out reforms and opening up." This is precisely what is in the minds of the people of the whole country.

STUDENTS REPORTEDLY BOYCOTT CLASSES AT UNIVERSITY

HK140204 Hong Kong HONGKONG SUNDAY STANDARD in English 14 Jun 87 p 1

[Text] Beijing -- Students at a government-run university have boycotted classes for four days in the first reported case of major student unrest since large-scale pro-democracy demonstrations last December.

Students at the Central Institute of Finance and Banking in Beijing said they were protesting at delays by the municipal government over removing a tobacco factory from the campus.

Nine years ago students began pushing for the factory's removal, and two years ago the municipal government agreed to relocate it by June 30 this year, students said.

The protests began when it became apparent that the authorities had no intention of meeting that deadline, they said.

Students have presented the municipal government with three demands -- that the factory be moved or stop production by June 30; that the university undergo major reconstruction next year if the factory stays; and that all students and teachers be given health tests for liver diseases.

Threatened With Punishment

HK150734 Hong Kong AFP in English 0727 GMT 15 Jun 87

[By Nina McPherson]

[Text] Beijing, June 15 (AFP) -- Students at the Beijing Central Institute of Finance and Banking have been threatened with punishment unless they end a classroom boycott to protest the presence of a tobacco factory on their campus, teachers at the school said Monday.

"The students are really irate, but school authorities threatened to punish them if they did not return to classes by Monday," said a teacher at the institute where some 1,300 students have boycotted classes since Wednesday.

The teacher, who asked not to be identified, said that students had been under "intense pressure" to resume classes since the government sent Vice Finance Minister Xiang Huaicheng in an effort to resolve the controversy over the polluting and noisy factory.

Teachers said the authorities had not specified what type of punishment was envisaged.

The school authorities and security personnel, who blocked off the campus to journalists and took down the names of people who spoke to them outside, said that they required express authorization to speak to the foreign press.

The classroom boycott was the first campus unrest since a wave of student demonstrations for greater freedom and democracy rocked the country last year, Western observers said.

Teachers and workers at the institute said Monday that heavy fumes and excessive noise from the plant endangered their health and disturbed the students' work. Officials had reneged on their promise, made two years ago, to remove the factory by June 30.

"I completely support the student strike. I really hate the plant and I simply cannot bear the fumes any longer," declared an angry young teacher, who added that many teachers supported the student protest but dared not speak up.

The school authorities insisted Monday that the situation had "returned to normal."

"Students have returned to classes and the teaching order has been restored. There are no empty seats in our libraries," a spokesman for the institute's president's office, Zhang Zihua, told AGENCE FRANCE-PRESSE by telephone Monday.

Mr Zhang declined to comment on the "internal situation" at the school or on the official response to student demands that the tobacco factory be removed and that all students and teachers be given health tests for liver disease.

Some students interviewed Monday outside the campus entrance said "a small number of students" had returned to classes but regretted that they were unable to comment on the "internal situation of the school."

Students questioned last week said more than 20 people on the campus had come down with liver ailments as a result of fumes from the factory, which has been located on the institute's campus since the 1966-76 Cultural Revolution.

They said the school authorities had refused them permission to stage a street demonstration in accordance with new regulations that came into force after student unrest in December.

Dozens of large-character wall posters, including one with a sketch of the Statue of Liberty, sprung up on campus walls last week urging students to "exercise your rights to restore beauty and health."

They had been torn down by mid-day Sunday, teachers said.

Protests for the removal of the cigarette factory date back more than nine years and two years ago the municipal authorities agreed to relocate it by June 30 this year, students said.

The cigarette factory, which occupies a huge, valuable portion at the center of the campus, was set up during the Cultural Revolution when extreme Maoists terrorized university campuses and demanded that students learn from the masses.

The controversy over the factory's removal coincides with a partial return to Maoist educational practices following the student demonstrations last year, Western observers said.

Universities have stepped up ideological training and set up work study programs in factories and the countryside for students as part of a six-month old campaign to root out "bourgeois liberal" ideas, they noted.

"Bourgeois liberalization" is the catchphrase for a worship of Western ideas and a preference for capitalism over socialism which party conservatives claim inspired the student demonstrations.

The demonstrations, which led to the resignation of party General-Secretary Hu Yaobang along with many of his associates within the party, triggered China's worst political crisis since the Cultural Revolution, observers said.

DISCIPLINE NOT FACTOR IN COLLEGE LOGISTICS RULES

OW120638 Beijing XINHUA in English 0622 GMT 12 Jun 87

[Excerpt] Beijing, June 12 (XINHUA) -- A senior college administrator said Thursday that the Chinese Government is to strengthen college management, but ruled out the possibility of restrictions on students, according to today's "CHINA DAILY".

Zhang Ziyuan, secretary-general of the Chinese Association of College Logistic Management Studies (CACLMS), told the English newspaper that his association is drafting a series of regulations on college management and its branches in each province, municipality and autonomous region will work out local rules.

The regulations will cover the logistic management system in colleges and universities, management establishments and employment of administrators.

"All the regulations and rules are designed to upgrade our college management from administrative methods to scientific ones," Zhang said.

He said the drafting of these regulations and rules, and efforts to improve management had nothing to do with the students' demonstrations last year and early this year.

"None of these regulations and rules will deal with student discipline," he noted.

"Of course," he added, "if we do a better job in college management, campus order and stability will be improved."

Other efforts to improve management will include inviting students to play a bigger part in administration, introducing foreign experience, and training more administrators.

Some colleges and universities already are experimenting with a new management system which gives students and administrative power over on-campus facilities including canteens, shops and beauty salons, Zhang said. [passage omitted]

LEADERS URGE STUDENTS TO LEARN FROM SOCIETY

OW140556 Beijing XINHUA in English 0541 GMT 14 Jun 87

[Text] Beijing, June 14 (XINHUA) -- Chinese leaders urged students to learn from society and practice while seeing an exhibition on what the students have learned by so doing here Saturday.

Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, commented that participation in social activities should continue and "the students should learn through practice and should be determined to shoulder important undertakings but not to become high-ranking officials."

Li Peng, vice-premier and also member of the CPC Central Committee Political Bureau, said: "Every occupation is noble and may produce its own leading authority."

"Participation in social activities will become part of the country's socialist education with Chinese characteristics," added Li Peng who is also the minister in charge of the State Education Commission.

Sponsored by the Central Committee of the Chinese Communist Youth League and the All-China Students' Federation, the on-going exhibition showed what the university and middle school students in 14 provinces, municipalities and autonomous regions have learned in participating social activities through photos, statistical charts and material objects.

COMMISSION EXPLAINS PROVISIONS FOR STUDY ABROAD

OW101247 Beijing XINHUA in English 1126 GMT 10 Jun 87

[Text] Beijing, June 10 (XINHUA) -- China will send more people to study abroad and the policy will be continued in a planned way for a long time to come, stressed an official from the State Education Commission today.

The education commission will make public tomorrow through XINHUA NEWS AGENCY temporary regulations entitling people to study abroad.

The official said that the old policy could not fully meet the needs of the country. He said too many people were sent to study basic sciences, while the country needed more students to study applied sciences and engineering. Also, the teaching plans of universities were adversely affected by students who left in mid-term to study abroad.

The new provisions say that the future guideline is "sending students abroad according to needs, ensuring quality and coordinating study with application."

The State Education Commission developed the temporary provisions after a six-month survey which began at the end of 1985. The provisions were approved by the State Council last December and have been in trial use since, he said. The response from the students now studying abroad has been favorable, he added.

The official said the full details of the temporary provisions will be carried in the country's main newspapers tomorrow.

The provisions will not limit the number of people studying abroad. They will allow China to develop better plans in the field and give more people the opportunity to study abroad, he explained.

More forms of sending students abroad will be encouraged, he said. The new provisions have articles concerning those going abroad for study at their own expense, saying that they will receive the same care from the government as it does those students going abroad on the government programs.

He said since 1978 China has sent more than 40,000 people to study abroad and 10,000 people have been approved to study abroad at their own expenses. Among them 20,000 have returned to take up important positions in various fields. In 1986 alone 7,000 people were sent to study abroad by the state and local governments, schools of higher learning and research institutions, he added.

He said the state will support people who want to continue their research abroad as post doctorates if their work is conducive to the country's construction and are in line with the state plans. XINHUA was told that 70 or 90 percent of those studying abroad hope to continue their work abroad as post doctorates, he said.

COMMENTATOR ON THEORY KEEPING PACE WITH REFORM

HK130756 Beijing RENMIN RIBAO in Chinese 13 June 87 p 1

[Commentator's article: "To Speed Up the Reforms, Theory Must Keep Pace"]

[Text] "There can be no revolutionary movement without a revolutionary theory." Building socialism with Chinese characteristics cannot be done without guidance of theory.

Theoretical workers have made contributions to the outstanding achievements in rural reforms and the excellent start in urban reforms since the 3d Plenary Session of the 11th CPC Central Committee. Under the guidance of Marxist theory, they have gone deep into the rural areas and the factories, mines, and enterprises to investigate and study, and have proposed many valuable new viewpoints and quite a number of original ideas. However, as far as the demands of socialist modernization are concerned, our theoretical work lags far behind practice. Many new situations and problems arising in reform and opening up have not yet been fully and scientifically analyzed and explained in theory. As a result, many comrades engaged in practical work are actively carrying out reforms on the one hand while their minds are not at ease on the other. To speed up and deepen reform, theoretical research must be greatly intensified. Practice is awaiting theory, calling for theory, and pressing for theory. Theoretical work must catch up in big strides.

Compared with 8 years ago, there has been a certain improvement in the quality of our theoretical contingent as a whole. The practice of reform has proved that only a very small number of people enthusiastically engage in bourgeois liberalization and desire to change China's socialist system and abolish the CPC's leadership; and only a very small number of people are still clinging to an ultraleftist line and resolutely opposing reform and opening up. We must also realize that there are also not many people who are able to consciously take the stand of the line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee, and who are able to grasp the Marxist standpoint, viewpoint, and method to study, clarify, and explain the new situations and problems in our country. [paragraph continues]

The great majority of comrades are still in a process of emancipating their minds and of integrating theory with China's practice. Some of them have shortcomings in this or that respect, but basically they are all good comrades. For instance, some comrades lay a bit too much stress on the four cardinal principles and do not attach sufficient importance to reform and opening up; while some other comrades are very enthusiastic about reform and opening up but fail to lay sufficient stress on the four cardinal principles; a few comrades display certain ossified viewpoints in looking at certain problems; and a few comrades display certain liberalizationist trends in looking at certain problems. These differences in viewing things can be gradually ironed out so long as we uphold the principle of integrating theory with reality and uphold practice as the sole criterion for testing truth. With regard to different views, we should uphold the "double hundred" principle, engage in equal and serious exploration and consultation, and promote criticism and self-criticism; and we should in particular encourage people to emancipate their minds and engage in bold exploration; we should not grab people by their pigtailed or stick labels on them at the slightest provocation, beyond the slightest doubt, ossified viewpoints and liberalizationist viewpoints must be criticized and overcome. However we must guard against one-sidedness in two respects, that is, we should not hold that only we ourselves are sticking to principles, and latch onto a few isolated words and phrases of others and arbitrarily stick on them the "liberalization" label; and we should not hold either that only we ourselves have emancipated our minds and describe as "ossified" and "conservative" certain different opinions that we hear. Avoiding such one-sidedness, will help in overcoming liberalizationist and ossified viewpoints, in strengthening unity within the theoretical contingent, and in boosting the strength of this contingent.

Unity is strength and victory. The great and arduous tasks facing us demand that the theoretical contingent unite still more closely. Recalling the 10-year catastrophe, many comrades suffered the same pain in being savagely persecuted by Lin Biao and the "gang of four"; recalling the process of bringing order out of chaos, everyone had the same awakening in fighting shoulder-to-shoulder and thoroughly repudiating the ultraleftist line; and looking at the future, everyone has the same goal in working with a will to invigorate China to make the motherland prosperous and developed and the people affluent and happy; so what reason can there be for not uniting closely?

Mr Lu Xun sighed with regret in past years that while struggling against reactionary forces he also had to guard against attacks from the same camp and keep a good look-out both ahead and to the rear, which required extraordinary effort and waste of energy; his achievements could have been much better if all his energy had been used for the proper purpose. This was the result of the influence of the "leftist" line at the time. Now, the party's line is correct, and similar situations should not arise again. With the whole party and the whole people of one mind and will for exerting themselves in modernizing the country, the theoretical workers too should be of one mind and will for researching modernization and serving this cause. Clear distinctions should be drawn between rights and wrongs in principle, and "sectarianism" that does not help unity should be avoided. The comrades of the theoretical contingent should take more thought for each other's views, draw on each other's strong points, gradually eliminate gulfs between them, and unite on the basis of integrating the universal truth of Marxism with the rich practice in building socialism with Chinese characteristics, to understand the new situations and resolve the new problems, and bring about a new situation in our theoretical work.

The party and the people have very high expectations in our theoretical workers. Comrade Deng Xiaoping pointed out long ago that applying the basic theories of Marxism-Leninism-Mao Zedong Thought to study in depth the new situations and problems encountered in practicing Chinese-style modernization, and providing answers of major guiding significance will constitute a major contribution to Marxism on the part of our ideological and theoretical workers. Our theoretical workers should have the will to accomplish this great task.

"Spring showers just dampen the clothes and moisten the blossom; spring breezes blow fresh but not cold." The life-giving spring breeze and rain of the 3d Plenary Session of the 11th CPC Central Committee has aroused limitless vitality throughout the vast land of China. Theoretical workers, stand up a bit higher, look a bit further, join hands and stand shoulder-to-shoulder, and strive together to fulfill your great historical mission!

HE JINGZHI VIEWS ANTILIBERALIZATION DRIVE

HK031330 Hong Kong CHIUSHIH NIENTAI in Chinese No 6, 1 Jun 87 pp 28, 29

["Secret Document": "In International Speech He Jingzhi Calls for Vigilance Against Carrying Out the Antiliberalization Drive in a Superficial Way"]

[Text] (The original document is a mimeograph entitled "Comrade He Jingzhi's Speech (Excerpts)." subheads are ours.) [preceding sentence is editor's note]

It Is Necessary to Raise the Level of Struggle in "Anti-Liberalization Drive" [subhead]

Now three units are holding a forum on soliciting contributions, and I appreciate it very much. For many years we have not had any meetings for directors in charge of literature and art of various provinces and cities. We can make use of this opportunity and invite them to the forum as well, so that we can study relevant central documents together, exchange information on our situations, and unify our understanding.

I have two hopes. First I hope that all the comrades who are in favor of and who adhere to Marxism will take up your pens. Second, I hope that all of you will join hands and advance together. Now, a fundamental change has taken place in the general atmosphere of our country's political and ideological arenas. Our comrades must take up their pens to write articles, to criticize the ideological trend of bourgeois liberalization, and to criticize all kinds of unhealthy trends of deviating from the socialist road and deviating from the track of Marxism, so that our literary and art creations and criticism can develop healthily, making due contributions to the development of socialist literature and art with distinctive Chinese characteristics. We must overcome the past situation of being separated and, sometimes, being isolated. Comrade Zhao Ziyang pointed out that it is necessary to strengthen the ranks of Marxist theoretical workers. The ranks of literature and art theoretical workers is an indispensable part of this. It is necessary to strengthen the ranks of socialist literature and art theoretical workers, with the Marxists as the mainstay, and this should be based on extensive unity. There are people of different levels in these ranks, and the Marxists who have a higher level should become the mainstay. Without this mainstay, everyone else will not be spurred on. However, if we only have this mainstay, it will be very weak. Therefore we must get organized and join hands in a broader way. [paragraph continues]

There are also many Marxist literature and art theoretical workers who are not present at the forum, and it is not only the Marxists with whom we want to unite. At this meeting, apart from studying how to write articles we must also study some other questions concerning the ideological and organizational construction of the ranks of literature and art theoretical workers. We must work hard to improve ourselves and increase our level of struggle so that we can play a greater role. I believe that very good results will be achieved in these two aspects through this meeting.

Since the issuance of Central Document No 1, the trend of bourgeois liberalization spreading unchecked has basically been changed. The situation on the literature and art front is very good. It might be appropriate to say that it is the first time we have really curbed the spread of the ideological trend of bourgeois liberalization in these years. But we still cannot say that brilliant success has already been achieved in the struggle against bourgeois liberalization. We should not be blindly optimistic. The struggle will be a long-term struggle, and our tasks are still very arduous.

In all the previous struggles against bourgeois liberalization and against rightist deviationist thinking, the problem of opposing the right with "leftist" thinking often appeared in varying degrees and within certain fields. This merits our attention. This time, in light of our past experience, the party Central Committee emphasized at the very beginning not to oppose the right with "leftist" thinking. This policy is very correct.

The Question of the Fourth National Congress of the Writers' Association Should Not Be Evaded [subhead]

At present, another question that merits our attention is that some comrades still do not have a sufficient understanding of the struggle against bourgeois liberalization and resist it. Some comrades are expecting that this struggle will be over as soon as possible. We must make a full appraisal of this situation. The party Central Committee is resolute in carrying out this struggle. If we fail to keep pace with the party Central Committee, we may lag behind and have the struggle carried out in a superficial way. Even after Document No 8 was issued, some leading comrades of certain central literature and art units still tried to evade the problem of bourgeois liberalization in their units and evade the question of the Fourth National Congress of the Writers' Association. Even to this day, some comrades still hold that the problem of (the combined January and February issue of) RENMIN WENXUE is a matter concerning nationality policy rather than a result of the spreading of the ideological trend of bourgeois liberalization and other erroneous trends. This shows that we still have to do much work. At present, there are many rumors and much hearsay, especially in the central literature and art units. We should be on the alert against all this.

At present, the comrades on the literature and art front must first of all read two books and study relevant central documents conscientiously according to the recent circular of the CPC Central Propaganda Department. It is always a serious task for the literature and art circles to study Marxism-Leninism and central documents. But many comrades in many units have not attached due importance to it. This is why they have often lagged behind. Comrade Deng Xiaoping's greetings to the Fourth National Congress of Chinese Writers and Artists is a programmatic document. But some comrades have only borne in mind the idea of "not to flagrantly interfere" in literature and art. When they study Central Document No 4, they have also only remembered the idea of "not to weed out [qing li 3237 3810] under all circumstances." It is not correct to adopt such an attitude toward central documents.

Literature and Art Newspapers and Magazines Should be Re-Registered [subhead]

It is necessary to conscientiously consolidate the media and literature and art newspapers and magazines. Many problems have appeared in literature and art newspapers and magazines. Some of them are very serious. Generally speaking, there are too many literature and art newspapers and magazines. They should be registered again and be issued publication licenses. Certain literature and art newspapers and magazines have an unshirkable responsibility for the spread of bourgeois liberalization. Of these, there are some central-level literature and art newspapers and magazines. Some typical slogans of bourgeois liberalization, such as "rehabilitate capitalism," were put forth by these newspapers and magazines. Therefore, it is necessary to rectify literature and art newspapers and magazines. As to the spreading of ideas on bourgeois liberalization through other means, such as through forums and other literature and art activities, it is also necessary to make clear the essence of the problems and to draw a clear line of demarcation between right and wrong and to carry out diverse forms of criticism and self-criticism. Of course, in doing this, we must be very cautious and careful.

It is necessary to carry out education among our ranks of literature and art in adhering to the four cardinal principles and opposing bourgeois liberalization and in the scientific Marxist viewpoint on literature and art and the socialist line and policy on literature and art. For party-member literature and art workers, it is also necessary to carry out education in party spirit and the party Constitution. Meanwhile, it is also necessary to propagate the scientific Marxist viewpoint on literature and art among our cadres and masses. The literature and art units and ranks should be rectified ideologically and organizationally. This should be done in accordance with the two basic points of the line of the 3d Plenary Session of the 11th CPC Central Committee, that is, adhering to the four cardinal principles and adhering to reform and opening up to the outside world.

It Is Necessary To Write Theoretical Articles and Grasp Ideological Work [subhead]

It is necessary to strengthen ideological and political work and write theoretical articles. Generally speaking, the orientation of some short commentaries and articles published by newspapers and magazines in the recent period is correct. They conveyed the spirit of the central authorities. However, writing articles is not enough, it is also necessary to forcefully strengthen political and ideological work. We should pay attention to this work from beginning to end.

In writing articles we must relate them to reality. Whether we admit the fact that bourgeois liberalization trends exist on the literature and art front is an important, real problem. We must study reality, present the facts, and reason things out. We must study and analyze some complicated theoretical questions on literature and art. In this connection, if Marxism is not in a dominant position, socialist literature and art can never prosper.

I agree that the comrades who adhere to Marxism should also conduct self-examination. On the complications and arduousness of the struggle against bourgeois liberalization we must make full ideological preparations. We did not make full ideological preparations over the past few years when the trend of bourgeois liberalization was spreading so quickly and seriously. We did not expect that it would be so difficult to adhere to Marxism in a country where Marxism was in a dominant position and that sometimes it would even be necessary to carry out tortuous struggles. We must review our work of the past years in retrospect so as to increase our level.

We must back all those comrades who are adhering to Marxism. We must provide them with administrative and organizational guarantees, including promotions.

Through our efforts in the past period, a new institute, the Institute for Marxist Literature and Art Theoretical Research, has been established; a new journal, WENYI LILUN YU PIPING [LITERATURE AND ART THEORY AND CRITICISM], has been published; and another research institute, the Chinese Society for Marxist Literature and Art Theoretical Research, will soon be established. The comrades concerned have drafted some regulations for it, and we would also like to hear your opinions at this meeting.

(This article is based on notes taken at the meeting without being checked and approved by the speaker.)

FORUM CONVENES ON DISCIPLINE INSPECTION WORK

SK080353 Shijiazhuang HEBEI RIBAO in Chinese 27 May 87 p 1

[Text] Conducting in-depth investigation and study in close combination with the two cornerstones of the party line defined since the 3d plenary session of the 11th CPC Central Committee with an aim to better orient the discipline inspection work to the general goal and the general task of the party, constituted the central theme of the forum participated in by directors of research offices of discipline inspection commissions of various provinces, municipalities, and autonomous regions, which was held in Shijiazhuang City from 20 to 26 May. Wang Heshou, second secretary of the Central Discipline Inspection Commission, delivered a written speech at the forum.

In his speech, Comrade Wang Heshou pointed out: Reform, opening up, and economic invigoration should be upheld because they are the major policies of our country; and the campaign of upholding the four cardinal principles and opposing bourgeois liberalism should also be upheld. On the premise of these two upholdings, we should pay attention to studying the new problems emerging under the new situation, and raise measures for solving these new problems in order to constantly increase the results in straightening out party style. He also pointed out: Research offices of discipline inspection organs should serve as an important adviser or assistant to leading comrades of discipline inspection commissions at all levels. One of the tasks of the research offices is to conduct investigation and study of special subjects in a comprehensive and systemize manner. These offices should expeditiously provide new and accurate informations for leading comrades and provide a reliable basis for formation of policies and guidance work of leading organs. Another task of these research offices is to do the propagation and education work well. Newspapers and radio and television stations should always carry and broadcast the voice of the discipline inspection commissions. This is an important method to conduct education on party style, party discipline, and party spirit among party members. Thus it should never be neglected. The research departments of discipline inspection commissions should also attend to studying theories concerning discipline inspection work, and the laws on achieving success in discipline inspection work under the new situation. By so doing we can improve the quality of discipline inspection cadres in the field of theory and ideology.

The forum's participants discussed the way of and exchanged their experiences in promoting and strengthening the investigation and study work of various discipline inspection organizations with an aim to make investigation and study departments better display their role in serving as advisers and assistants to leaders of discipline inspection commissions. [paragraph continues]

The forum's participants maintained that the investigation and study organs of discipline inspection commissions at all levels had done much work to promote reform, opening up, and economic invigoration, in straightening out party style and in safeguarding party discipline, centering on upholding the four cardinal principles and in line with Comrade Chen Yun's demand that "discipline inspection organs should study and keep abreast of new situations." The atmosphere of conducting investigation and study has already prevailed among discipline inspection organs of many localities and departments. With regard to how to achieve still better results in investigation and study work under the new situation, the forum set forth the following five demands: 1. We should fully understand the importance of investigation and study work in the building party style and party discipline, and should understand that strengthening the investigation and study is needed to make scientific policies and suit the new situation in discipline inspection work. 2. We should define the guiding ideology for investigation and study work and the functions and tasks of the investigation and study organs of various discipline inspection departments, and should penetratingly conduct investigation and study in line with the two cornerstones of the party line followed since the 3d Plenary Session of the 11th party Central Committee. We should intensify the investigation and study of political trends, and pay attention to learning about the new situations and problems in reform, opening up, and economic invigoration. In addition to grasping the specific issues, we should have a strategic perspective and the sense of overall interest, make long-term arrangements, and strive to place in investigation and study work on the "leading" position, in order to constantly produce marked results in straightening out party style. 3. We should determine the subjects of investigation and study in light of the needs of the practical work, and pay attention to conducting investigation and study of the problems crying for immediate solution in the practical work of various units. 4. We should attach importance to the study of theories and policies concerning discipline inspection work. We should closely combine the regular investigation and study work with the theoretical exploration and study, and should strive to answer the major questions emerging in the party's discipline inspection work by integrating theory with practice and by outlining the general investigation materials with theories. 5. We should step up the building of the investigation and study departments of discipline inspection organs.

Chen Zuolin, secretary of the Central Discipline Inspection Commission, attended and addressed the forum. Also attending the addressing the forum were Yue Qifeng, deputy secretary of the Hebei Provincial party committee, and Bai Shi, secretary of the provincial Discipline Inspection Commission. Sponsored by the research office of the Central Discipline Inspection Commission, this forum was attended by responsible persons of research offices of Discipline Inspection Commissions of various provinces, municipalities, and autonomous regions; responsible comrades of the pertinent departments of the Central Military Commission and the Discipline Inspection Commission (groups) of some state organs; and responsible persons of the Discipline Inspection Commissions of some large and medium-sized cities.

ZHAO ZIYANG ENDORSES POLLUTION CONTROL LAW

OW301531 Beijing XINHUA Domestic Service in Chinese 0705 GMT 11 Jun 87

[Text] Beijing, 11 Jun (XINHUA) -- The State Council today submitted for deliberation a proposal on the "Law for Prevention and Treatment of Air Pollution of the People's Republic of China (Draft)" to the 21st Session of the 6th NPC Standing Committee. Premier Zhao Ziyang pointed out in the proposal: This draft law has been worked out with the aim of preventing and treating air pollution; protecting and improving the environment; safeguarding the people's health; and bringing about smooth development of the program for socialist modernization.

At today's NPC Standing Committee meeting, Ye Rutang, minister of urban and rural construction and environmental protection, was entrusted by the State Council to explain the draft law on prevention and treatment of air pollution.

He said: The atmosphere is one of the important environmental factors on which people rely for existence. For many years, especially since 1979, the state has worked out necessary policies and measures to strengthen environmental control of the atmosphere and prevent and treat air pollution. Various departments and localities have also carried out a lot of work and formulated some local and departmental rules and regulations against air pollution with good results. Thus, air pollution in some cities in the country has been controlled to a certain extent.

Ye Rutang pointed out: In general, air pollution in China remains serious, and the problem is still growing. Currently, air in some Chinese cities contains fluorine, chlorine, mercury, arsenic, lead, hydrogen sulfide, and other toxic substances in addition to major pollutants such as dust and sulfuric dioxide. Although they only occur in some areas, these air pollutants are fairly toxic. They are detrimental to the people's health. For many years, disputes over air pollution have made a negative impact on the country's economic and social development and on the situation of stability and unity. Therefore, air pollution has become an outstanding problem in the country's environmental protection efforts.

He said: In order to strengthen environmental protection; prevent and treat air pollution; protect and improve the environment; ensure people's health; and bring about smooth development of the program for socialist modernization, the formulation of the "Law for Prevention and Treatment of Air Pollution" is essential.

Ye Rutang pointed out: The draft law pays particular attention to preventing and treating smoke pollution and makes stipulations on the prevention and treatment of exhaust, powder dust, and foul smells from industry and on air pollution caused by the production of coke, sulfide, mercury, and arsenic. At the same time, it also makes stipulations on the issues of controlling air pollution caused by motor vehicle and boat exhausts.

ULANHU PRESENTS NIGHTINGALE MEDALS TO NURSES

OW121720 Beijing XINHUA in English 1527 GMT 12 Jun 87

[Excerpt] Beijing, June 12 (XINHUA) -- Ulanhu, vice-president of the People's Republic of China, presented Nightingale medals to three nurses here today at the Great Hall of the People.

The three nurses were Chen Lude, Zhang Yunqing and Shi Meili. Ulanhu congratulated them on the "special honors" they had won.

He said, "Members of the Red Cross Association and nurses, who have contributed so much to the health of the people, are worth our respect and praise."

He hoped that more and more nurses from China's total of 680,000 would receive the international honor, which is awarded by the International Red Cross Society. [passage omitted]

LI PENG ADDRESSES FLOOD CONTROL MEETING

OW150209 Beijing XINHUA Domestic Service in Chinese 1542 GMT 11 Jun

[By reporter Huang Zhenggen]

[Text] Beijing, 11 Jun (XINHUA) -- Li Peng, vice premier of the State Council and general director of the Central Flood Control Headquarters, this afternoon chaired a plenary meeting of the headquarters to discuss the current work of flood control. Comrade Li Peng emphatically pointed out: According to meteorological and hydrologic department forecasts, the weather in our country has been abnormal since last winter and there have been signs of serious flooding. We should draw a lesson from the forest fires in Daxinganling, heighten rather than slaken our vigilance, and make early and full preparations against possible flooding in order to ensure the safety of state property and of the people's lives and property.

Comrade Li Peng said: Flooding occurs more often in our country than in others. A large number of water conservancy facilities have been built since the founding of New China, and they have played an important role in combating flooding and waterlogging over these years. However, such facilities are still not adequate enough to withstand exceptionally serious floods. So flooding remains a serious hidden danger in our country. In dealing with floods, we must now lower our guard or panic. Our general principles are to: 1) Put prevention above all else; 2) go all out to combat floods and deal with emergencies when they occur; and 3) sacrifice the part to save the whole when necessary.

Comrade Li Peng said: All provincial, municipal, and autonomous regional people's governments should strengthen their leadership over the work of flood control. Governors, mayors and country heads should be responsible for this work and assign one of their deputies to take charge of concrete work in this regard. They should invite veteran experienced comrades and experts as their advisers. Our government is a people's government. In dealing with flood-control work, leading comrades of governments at all levels should have a boundless sense of responsibility to the people. They must not lower their guard, especially those in areas with arduous work to do in flood control.

Comrade Li Peng said: Departments responsible for this work should do a good job in making weather, hydrological, and flooding forecasts. Such forecasts should be accurate and of a longer term. This will make it possible for large numbers of people to have enough time to combat flooding and deal with emergencies. These forecasts will provide a scientific basis for making policy decisions in the direction of flood control. Posts and telecommunications departments should try in every possible way to transmit flood forecasts quickly, and the communication systems of water conservancy and electric power, public security, railways, and petroleum industry departments should also serve the work in combating floods and dealing with emergencies.

Comrade Li Peng emphatically pointed out: The key to flood control is to clear barriers in river courses. All localities should draw a lesson from a serious flood disaster that occurred along Liao He in 1985 because its course was full of silt and its ability to drain floodwater was limited. They all should make vigorous efforts to clear barriers in river courses, particularly the courses of the Huai He, Hai He, and Hong He. In areas where a flood may be caused by 3 to 5 days of heavy rains, leaders should be determined to overcome all interferences and to strive to clear barriers in river courses. Public security departments at all levels should protect key flood control and water conservancy facilities and severely punish those criminals who sabotage such facilities.

Making briefings on flood control and material supplies for this purpose were Qian Zhengying, deputy general director of the Central Flood Control Headquarters and minister of water conservancy and electric power; Luo Jibin, deputy director of the State Meteorological Bureau; and a leading comrade of the State Materials and Equipment Bureau.

Chen Junsheng, deputy secretary general of the State Council, and leading comrades of relevant departments and commissions under the State Council and of the PLA general departments were present.

QIAN ZHENGYING URGES EFFORTS AGAINST FLOODING

OW120925 Beijing XINHUA in English 0706 GMT 12 Jun 87

[Text] Beijing, June 12 (XINHUA) -- In preparation for possible floods this rainy season China has 4 million straw bags and 10,000 cubic meters of timber ready for emergency use on dikes and dams, according to Qian Zhengying, minister of water resources and electric power.

Speaking at a meeting called by the Central Flood Control Headquarters here yesterday afternoon, Qian said other material preparations and examinations of flood control facilities are well under way.

Qian, also deputy chief of the Central Flood Control Headquarters, said, so far, 18 provinces, municipalities and autonomous regions have held special meetings on flood-control.

Since last winter, weather in China has been abnormal and there are signs that point to possible serious flooding this summer. The Chinese Government has been preparing for floods since last April.

She said China's flood season usually occurs between early April and the end of October. And the rainy season in the areas of the country's leading river systems -- the Yangtze, Yellow, Haihe and Huaihe Rivers -- is between June and October.

The country's 307 large reservoirs, Qian said, were storing on June 1, 99.1 billion cubic meters of water, 7.8 billion cubic meters more than last year.

Qian also said statistics show the reservoirs are now storing 4.5 billion cubic meters of water more than early in May and 17.4 billion cubic meters more than the average for the same period in the past several years, she said.

Since last May, Qian noted most areas in east China received more rainfall than usual. And in coastal areas of south China's Guangdong Province, 13 counties were hit by more than 200 millimeters of rain from May 19 to 20. The rainfall in Haifeng County was 973 millimeters, the most in 100 years.

In west Guangdong Province, the Jiangjiang and Moyang Rivers flooded on June 4 and 5, destroying two sections of the banks of the Jiangjiang and floods in the town of Gaozhou were one to two meters deep.

The floods killed 18 people, damaged more than 46,000 hectares of farmland and affected the lives of 570,000 local residents, said Minister Qian.

She said there are still problems to overcome in preparing for possible floods. Barriers across some rivers are a serious problem, and some local leaders have not paid enough attention to flood-control work.

Barriers and increased silt at the mouth of the Haihe River, which flows through Tianjin, the largest industrial center in north China, have reduced its flood drainage capacity by 20 to 30 percent.

On the Anhui section of the Huaihe River, clearing debris from the rivers has not gone well, she said.

Also speaking at yesterday's meeting, Li Peng, vice premier of the State Council, China's highest governing body, and chief of the Central Flood Control Headquarters, urged leading officials at all levels to take their responsibilities seriously and improve their flood-control efforts.

HU QILI, LI PENG VIEW STUDENT EXHIBITION

OW142337 Beijing XINHUA Domestic Service in Chinese 1344 GMT 13 Jun 87

[By reporter Zhang Yanping]

[Text] Beijing, 13 Jun (XINHUA) -- Hu Qili, Li Peng, Wang Zhaoquo, and other comrades viewed an exhibition on university students' social practice and middle school students' practical education this afternoon. While "raising the fruitful results of social practice, they called for deepening such activity in order to help the students grow to maturity along a correct path.

Sponsored jointly by the CYL Central Committee and the All-China Student Federation, the exhibition displays, with pictures, charts, and samples, the fruitful achievements in social practice by university and middle school students in Beijing, Tianjin, Shanghai, and 11 provinces. It epitomizes the enterprising spirit of the large numbers of students tempered and growing into maturity in social practice. Over the past few days, officials of the Central Advisory Commission; the General Office of the CPC Central Committee; the Propaganda Department of the CPC Central Committee; the State Education Commission; the State Council Office on the Development of the Poor Areas; the Ministry of Agriculture, Animal Husbandry, and Fishery, the China Association for Science and Technology; and other relevant departments, as well as institutes of higher learning in Beijing, viewed the exhibition.

After viewing the exhibition, Hu Qili said: "Students should learn from their practical experience in society, and should aspire to accomplish a great undertaking, not to seek a high position." Li Peng said: "We must encourage students to dedicate themselves to all trades and professions because every trade produces a crop of standouts. A noble-minded person is always dedicated to his or her job. Social practice should be continued and become a component of socialist education with Chinese characteristics." Wang Zhaoquo said: "Young students should actively take part in social practice and be tempered in practical experience to become mature." First Secretary Song Defu and Secretaries Liu Yandong and Li Yuanchao of the CYL Central Committee also viewed the exhibition today.

HAO JIANXIU VIEWS FUJIAN CHILDREN'S PERFORMANCE

OW142341 Fuzhou FUJIAN RIBAO in Chinese 3 Jun 87 p 1

[By Xie Yixi, Hong Jian]

[Text] Beijing, 2 Jun -- More than 1,000 children in Beijing watched the colorful performance of the Fujian children's art ensemble at the brilliantly illuminated Zhongnanhai auditorium last night, giving it thunderous applause from time to time. Hao Jinxiu, member of the Secretariat of the CPC Central Committee; Chen Xilian and Huang Zhen, members of the Standing Committee of the Central Advisory Commission; and Gao Zhanxiang and Zhou Weizhi, leading comrades of the Ministry of Culture, watched the joint performance of the children's art ensembles from Fujian and Guangdong. The leaders and other audiences highly appraised our children's dance performance in "The Lotus Boy," "Joy in My Heart," and "The Small Swallow."

YANG SHANGKUN CRITICIZES POLICE 'SLOVENLINESS'

OW150219 Beijing Domestic Service in Mandarin 0930 GMT 13 Jun 87

[Text] Since the beginning of June, the Beijing Armed Police Force has been engaged in improving the appearance and conduct of its personnel. Such slovenly behavior as wearing long hair or whiskers, wearing caps crookedly, or eating while walking have not been found in recent checks.

As guards of the party Central Committee, the conduct or misconduct of Beijing Armed Police Force personnel has a close bearing on the reputation of the entire Armed Police Force as well as the dignity of the country. Despite constant reminders in the past that Beijing Armed Police Force personnel should have a neat appearance and behave properly, some paid little attention to their appearance. Failure to button up the hook and eye on the collar of the uniform, or smoking while walking were frequent. On 12 May, Yang Shangkun, vice chairman of the Central Military Commission; and Yu Qiuli, director of the General Political Department, criticized such slovenliness.

Earnestly following the guidance of Central Military Commission leaders, and in an effort to help personnel heighten their understanding, the Beijing Armed Police Force began using roll call periods and blackboard posters to study and publicize the rules set by the armed police headquarters, and discuss the reasons for and harmful effects of slovenliness. Meanwhile, special inspection teams have been established at the Beijing Armed Police Force headquarters and at all branches, and checkpoints have been set up at gateways and sentry posts of all units to correct any policeman found dressing slovenly misbehaving. During an unannounced check at the Beijing Armed Police Force Branch No 1 on 7 June, no slovenly conduct was discovered.

CHINA BECOMES ONE OF WORLD'S TOP SUBMARINE POWERS

OW140944 Beijing Domestic Service in Mandarin 0930 GMT 12 Jun 87

[Text] On the eve of its 3d founding anniversary, China's PLA Navy submarine force has developed from its original four obsolete submarines into an important undersea shock force with more than 100 submarines. According to international military circles, China has become one of the world's top five submarine powers.

In order to better protect China's territorial waters and safeguard China's maritime rights and interests, the first PLA Navy submarine force, consisting of some 100 college and high school graduates selected from the whole Army, was established in June 1954 with the approval of Chairman Mao and Premier Zhou. The Navy submarine school established at the same time as the submarine force now has become the only submarine institute in Asia.

As China's industrial and scientific-technical level has constantly moved upward, the PLA Navy submarine force now is completely equipped with domestically made medium-sized submarines. A very powerful extra-long wave radio station that covers the whole globe and advanced navigation equipment are installed on these submarines. The Navy submarine force has extended its scope of activity to west Pacific waters and the whole territorial waters that include the Xisha and Nansha archipelagos. China is also one of the world's handful of nations that can manufacture its own nuclear submarines. The successful experiment of launching a carrier rocket from a submarine underwater in 1982 indicates new progress in the development of naval equipment technology.

The PLA Navy Commander Liu Huaqing told this reporter that the Chinese submarine force has become a more powerful underwater shock force and is an underwater great wall of steel protecting China's immense territorial waters.

CADRE PUNISHED FOR RETALIATING AGAINST MODEL WORKER

HK050913 Beijing RENMIN RIBAO in Chinese 4 Jun 87 p 4

[Report by Luo Maocheng (5012 5399 1004): "Wang Amao, Secretary of the Sichuan Petroleum Bureau Supply Section Party Committee Was Punished for Retaliating Against Model Worker Gao Zhilun"]

[Text] Recently, the Sichuan Provincial CPC Discipline Inspection Commission and Organization Department wrote an investigative report to the Sichuan Provincial CPC Committee and the Central Discipline Inspection Commission on the case of Gao Zhilun, an exemplary communist and provincial model worker, being subjected to reprisal. The report holds that, Wang Amao, secretary of the Sichuan Petroleum Bureau Supply Section Party Committee had actually retaliated against Gao Zhilun by taking advantage of his position and power to try to belittle, suppress, and negate Gao Zhilun and that, since he had made a bad impression among the masses, he cannot continue to hold a party and government leading post at the section level. The report recommends that the Petroleum Bureau party committee take necessary disciplinary action against him.

On 8 August last year, this paper carried a report entitled "Exemplary Communist Gao Zhilun's Deeds in Struggling Against Unhealthy Practices Are Inspiring; Party Committee Secretary Wang Amao Arouses Righteous Indignation by Willfully Revising the Deeds." It has drawn the attention of relevant central and Sichuan provincial departments. A combined investigative team set up by the Sichuan Provincial Discipline Inspection Commission and Organization Department conducted thorough investigation and study. The investigative report says: A host of facts show that, over the past 30-odd years, Gao Zhilun, engineer in the supply section at Sichuan Petroleum Bureau, has been consistently doing well. He has a strong sense of revolutionary cause, is bold in shouldering heavy burdens, and is highly responsible in his work. He is just and upright, upholds the principles, and dares to struggle against various erroneous tendencies. He has a noble moral character, finds it a pleasure to help others and, for this reason, has been highly praised by workers and staff members in the petroleum department. [paragraph continues]

On 17 different occasions he has been cited as an advanced worker of the section, bureau, and province, a provincial advanced worker, and a provincial model worker, and on seven occasions he has been cited as an exemplary communist of the section and bureau. His shortcomings are that he is sometimes short-tempered and does not pay sufficient attention to methods of work.

The investigative report emphatically points out: As for the problems reported by a small number of people, e.g., that Gao Zhilun asked for an official post and power when he offered his services to the organization, that he scrambled for honor and position when he appealed to the leading body that he had not been justly treated, and that the material on Gao's advanced deeds verified and compiled by the office general party branch of the supply section was in fact compiled by Gao himself, they are prejudicial and untrue. The investigative report holds that Gao Zhilun's deeds are so outstanding that they can play a very good promoting role in our current efforts to rectify party work style, and do a good job of building spiritual civilization. Therefore, it is suggested that the party committee of Sichuan Petroleum Bureau take numerous measures to publicize Gao Zhilun's advanced deeds extensively and penetratingly.

The investigative report says: Gao Zhilun criticized the former secretary of the Petroleum Bureau party committee for appointing people by favoritism, and putting in important positions people with serious problems during the "Cultural Revolution," including the secretary of the party committee and head of the supply section. He also brought to light unhealthy practices by the party committee secretary and head of section, such as taking advantage of his position and power to privately transfer his children's jobs. For this reason, Wang Amao, secretary of the Sichuan Petroleum Bureau Supply Section party committee took advantage of his position and power to retaliate against, repress and attack, the advanced figure. Wang's erroneous course of action was criticized many times by some comrades in the bureau and section, and by comrades from the Ministry of Petroleum Industry Discipline Inspection team. But he refused to mend his ways, giving a bad impression to the Petroleum Bureau and supply section. Many comrades were indignant and made strong response. They called for a severe punishment to foster the good practice of upholding justice and condemning evil.

The Sichuan Petroleum Bureau party committee reportedly has announced the temporary suspension of Wang Amao from his duties and is implementing the view of the higher authorities on the handling of this case.

CHINA DAILY VIEWS CONDITIONS OF CONTRACT WORKERS

HK100612 Beijing CHINA DAILY in English 10 Jun 87 p 4

[Text] The use of contract workers in China began a few years ago because of the country's labour system reform. By the end of last year, 5.18 million contract workers were employed in state-run enterprises, adding to their vigour and efficiency.

But similar to many other new practices, the use of contract workers has its problems. Some enterprises using contract workers must check themselves from infringing upon the interests of those workers.

In the past several months, the Beijing-based national newspaper, WORKERS' DAILY, has received more than 100 letters exposing problems in hiring contract workers and unfair treatment by employers. The writers, mostly contract workers, expressed their wish to see things bettered.

The newspaper said the system of employing contract workers must be improved.

According to the letters, unequal treatment towards contract workers is widely observed.

A factory in Hunan Province refused to give its contract staff a pay rise when its permanent employees received one. Many contract workers also said their factories gave them the dirtiest and hardest jobs rejected by ordinary workers, but their pay was much lower.

A letter from 192 contract workers in Hebei Province factory complained about their employer's contract violations. According to the contract, which was signed by both sides, contract staff could be classed as first-grade workers, the lowest on the eight-grade scale for Chinese workers, if they passed technical examinations after their first three months of work. They would be promoted as second-grade workers after working for a year. But this promise has so far remained only on paper after two years. The greatly disappointed contract employees now have no enthusiasm for work.

Contract workers are at a disadvantage in many other aspects. When a contract coal miner in Jiangsu Province was hurt while working underground, doctors on duty first asked whether the injured was a contract worker. People had to lie by saying he was not to get the doctors to rush to the site.

Another contract worker wrote that he was fired immediately after a physical check found he was suffering from hepatitis. But the regulations said he was entitled to three months of sick-leave and financial help.

Many contract staff are given poor quality housing. Ordinary workers in the same units usually live in flats if they are married and decent dormitories if they are single. But the "dorms" for contract workers are make-shift asphalt ceiling shacks, hot in summer, cold in winter and without running water.

Political prejudice also exists against contract workers. Unions and workers' congresses in many enterprises refuse them membership. Some people's applications to join the party are turned down only because they are contract employees.

In receiving vocational training or higher education, they face more difficulties. An ordinary worker who passes an entrance examination for full-time workers' college or other higher education institution, may study and also keep his job. But contract workers, admitted into such institutions, must quit their jobs.

Contracts have legal binding force besides their economically related contents. Once signed, they must not be violated. Some enterprise leaders overlook the legal concept of contracts, tear them up or violate them. While acting for their enterprises' short-term interests, they hurt contract workers and they are infringing upon the rights of individual contract employees. That will affect the enterprises in the long run.

RENMIN RIBAO URGES STABILIZING COMMODITY PRICES

HK121300 Beijing RENMIN RIBAO in Chinese 12 Jun 87 p 2

[Article by Zhang Ruiying (4545 3843 5391): "The Stabilization of Prices Needs the Common Efforts of the Whole Society"]

[Text] People have shown and will continue to show great concern for the general stability to commodity prices in our country. The state, of course, must play an important role in maintaining a general stability of commodity prices. But, at the same time, this task also calls for the earnest efforts of the commodity producers, consumers, and various organizations throughout society.

Everybody Has To Enhance His Understanding [subhead]

In the past few years, our country has readjusted and lifted some restrictions on the prices of agricultural and sideline products and of some industrial products on several occasions. An initial reform of the irrational pricing system and price administrative system has been introduced. However, in the several previous readjustments, we sometimes went too far and failed to exercise rigid macroeconomic control, thus causing a rise in commodity prices. What is more, some industrial and commercial enterprises and peddlers who did not stick to a correct management orientation have taken advantage of some opportunities to raise prices arbitrarily or in a disguised form, thus causing the state and consumers great losses. Therefore, everybody is now concerned about and talking about commodity prices, being afraid that commodity prices will get out of control, rise across the board, or fluctuate drastically. In brief, commodity prices have aroused extensive misgivings. In order to give full play to the initiative of all circles in a common effort to stabilize commodity prices, we must urge all people to study harder to enhance their understanding, dispel misgivings, and build up their confidence.

First, our state is a socialist one under the CPC's leadership. Assuming responsibility to the people is the fundamental principle to be upheld by our state. The state will not adopt any measures that may infringe upon the consumers' interests in handling the relations between social production and social consumption. During each readjustment of commodity prices launched in the past few years, in selecting commodities whose prices would be readjusted and in deciding on the extent of readjustment, the state's basic consideration has been the extent to which the people can afford the readjustment and the improvement of the people's livelihood.

Second, our state is practicing a planned commodity economy and is capable of keeping the commodity prices on the market basically stable. Now that most of the country's means of production and means of subsistence are under the state's control, the state can either develop commodity production in a planned way or curb inflation through macroeconomic control, thus maintaining a general stability of commodity prices on the market. Even if commodity prices get out of control in some areas for a while, the state will be able to take remedial measures to prevent commodity prices overall running out of control. For example, when the prices of agricultural and sideline products were readjusted the year before last, the scale of investment in fixed assets was overexpanded for a while. In consequence, the considerable increase in the wages and bonuses of workers and staff members and in the consumption fund led to a rise in commodity prices. In face of this situation the state took prompt action to curtail investments in fixed assets, cut capital construction projects, and keep the growth in the consumption fund under control. As a result, commodity prices on the market were very soon stabilized.

Industrial And Commercial Enterprises Strictly Observe Discipline Regarding Pricing [subhead]

To stabilize commodity prices on the market, all enterprises in the country producing or marketing commodities must conscientiously and strictly observe the discipline regarding pricing. No industrial and commercial enterprise is allowed to raise prices arbitrarily or in a disguised form but must set the prices of commodities in a reasonable manner within the range fixed by the state. In brief, the state is entitled to readjust commodity prices, but enterprises are not allowed to wantonly raise prices on their own beyond the range fixed by the state. Some people who are not convinced of this say: "You raise the price and we can do nothing but accept it. You are entitled to raise the price but we are not allowed to do so. This is unfair." To be sure, some enterprises are facing serious difficulties indeed and to them the prices of some products are not really reasonable. Therefore their desire to be authorized to readjust the prices of their products is quite understandable. But the issue concerning commodity prices is quite complicated. The contributing factors affecting commodity prices, apart from the value of the commodities themselves, include the supply-demand relations on the market, the volume of circulation of currency, the state's policies, the people's feelings, and so on. Which commodities should have their prices readjusted? Which should not have their prices readjusted? And which commodities should have their prices readjusted first or later? All these are subject to the centralized arrangement by the state. If every commodity producer and every commercial enterprise is allowed to raise prices arbitrarily, the market will be disrupted, and this will in its turn arouse discontent among the masses. Therefore, all enterprises must act strictly according to the provisions enacted by the state and are not allowed to raise prices arbitrarily, although the case may vary from enterprise to enterprise.

Whether an enterprise can observe the discipline regarding pricing in an exemplary way is not only an issue of short-term interests but also one having a bearing on the enterprise's reputation and fate. Some enterprises intend to raise prices simply with a view to making more money. Once the attempt to raise prices fails, they will just to shoddy work by using inferior material or substitute inferior goods for quality ones. They might benefit from doing so for a while. But eventually they will lose both reputation and customers and they themselves will be the very victims of such a practice.

The Vast number of Consumers Must Play an Active Part in Price Supervision [subhead]

The state, the commodity producers, and the vast number of consumers are all responsible for maintaining a general stability of commodity prices on the market. However, a consumer in the market can only exchange his money for the commodities he needs. He has to pay as much as the seller asks. So, if the prices are raised arbitrarily or in a disguised form, many consumers will become helpless victims even though they are not willing to accept the deal. Then, can the consumers even play a role in stabilizing commodity prices on the market?

In 1981, some workers and staff members in Changchun City, Jilin Province, who were organized by their trade union, exercised for the first time the consumers' sacred right in supervising the operation of the market, giving full play to the initiative of the working class as the master of society. As soon as this voluntary workers' price inspection team started exercising its duty, it was welcomed by the vast number of consumers and drew the attention of trade unions at all levels throughout the country and the government departments concerned. [paragraph continues]

Since then, workers' price inspection organizations and price inspection by workers have been popularized throughout the country, and the vast number of consumers have turned out to be a contingent of organized price inspectors who show high initiative. At present, a total of 5,561 workers' price inspection stations (groups) have been established in 22 provinces, autonomous regions, and municipalities. A total of 50,000 workers have been officially nominated by the government as worker price inspectors, and, in addition, millions of consumers around them are serving as their informants helping them to keep abreast of the ever-changing market. Practices in various places in the past few years have shown that this contingent of price inspectors is playing five major roles: 1) Its members are serving as observers; 2) it exercises the inspection duty; 3) it publicizes the function of price inspection; 4) it plays a part in administering the market; and 5) it plays the role of a bridge. Since their establishment, these workers' price inspection stations have carried out over 20 million inspections and have handled a total of more than 500,000 major or minor cases of raising prices arbitrarily or in a disguised form and cases of violation of discipline. These stations have played an important role in curbing the evil practices of raising prices arbitrarily or in a disguised form and in maintaining stability of commodity prices on the market.

Apart from workers' price inspection organizations, we have another price inspection contingent formed by masses in urban neighborhoods. So long as we set store by public supervision, give full support to workers' price inspection organizations and neighborhood price inspection organizations, bring their initiative into full play, and perfectly integrate the functions of the state, the public, and enterprises themselves in price supervision, we will always be able to curb the evil practices of raising prices arbitrarily or in a disguised form, and thus gradually cultivate a new socialist habit in the market. In this way, we will be able to bring about a brisk and prosperous market and a general stability of commodity prices in China.

RENMIN RIBAO REPORTS LIKELY NEW PEAK IN POPULATION

HK130538 Beijing RENMIN RIBAO in Chinese 12 Jun 87 p 3

[Report: "Chinese Population May Witness New Birth Peak This Year"]

[Text] According to a forecast and an analysis by relevant departments, the number of fertile women aged 15 to 49 in our country will increase in 1987 by 7.3 million over the 1986 level. If the birth level of 1986 is maintained, 23 million births are likely to occur, and the natural population growth rate will rise to 14.95 percent. If an effort is made to properly control population growth, the figure may be lower than this estimate. With a relaxed effort, there may be a still greater increase in our population.

An analysis shows that there are two main factors now affecting the trend in population growth. One is the age composition of the population. With the people born in the second birth peak period beginning in 1963 successively entering the marriage and child-bearing age, our population affected by the cycle of population reproduction has begun to enter a new birth peak. This is an objective basis for the accelerated growth of our population at present. Another factor has to do with policy, work, and other matters. For example, some areas have relaxed efforts in population control work. [paragraph continues]

The age of marriage and child-bearing has been advanced. There has also been an increase in the number of births not allowed by the plans. This constitutes the subjective factor behind the accelerated growth of the population at present. According to an estimate, of the 3.12 million people born in 1986 as an increase over 1985, the former factor accounted for about one-third, and the latter factor for around two-thirds. The subjective factor is the dominant one.

What is worth noting is that fertile women, especially those ages 21 to 29, who are most fertile, have the greatest effect on the number of people born. Judging from birth conditions since 1982, the children born of women ages 21 to 29 account for 75 to 80 percent of the total number of people born in the year. In 1987, women ages 21 to 29 numbered approximately 86.4 million, an increase of 3.2 million over the figure of 83.2 million in 1986. In the face of the reality of a continuous population growth in the period of the 7th 5-Year Plan, we must continue energetically promoting late marriage and late child-bearing and continue promoting one child for each couple. We must make people understand that without strict population control, our per capita economic level cannot register a big increase.

BUMPER HARVEST EXPECTED FOR SUMMER CROPS

OW150558 Beijing XINHUA in English 0533 GMT 15 Jun 87

[Text] Beijing (CEI) -- Though harvesting has not been completed on 30 million hectares of land planted with summer grain the total output is estimated to reach or even surpass China's record figure of 93.2 billion kilograms, according to the Ministry of Agriculture, Animal Husbandry and Fisheries.

Harvesting of rapeseed has been completed and estimate output is somewhere near six million tons, or a four percent increase than last year.

The bumper harvests did not come easily. There were droughts during the sowing season and the hectareage planted also dwindled. Last winter-spring the weather was abnormal in many regions. There were frosting and hailstorm in places south of the Huai River. However, with appropriate measures, losses were brought to the minimum.

According to latest statistics, output of summer grain crop is estimated to be higher than last year in Anhui, Henan, Hubei, Hunan, Zhejiang, Fujian, Yunnan, Guangdong, Guangxi while that of Shandong, Jiangsu, Sichuan, Hebei, Shanxi, Shaanxi and Gansu remain on the same level as or lower than last year.

It is learnt that the hectareage sown to autumn harvest is large than last year and in most of the places the crops and cotton are growing well and are better than last year.

KMT SPY GETS 7-YEAR SENTENCE IN JIANGXI

OW140932 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 12 Jun 87

[Text] Jiangxi's state security organ has solved a Taiwan Kuomintang spy case. The Fuzhou Prefectural Intermediate People's Court, after trying Kuomintang Special Agent Luo Shengfa, sentenced him to a 7-year prison term on 29 May and deprived him of his political rights for 2 years.

Hailing from Fenggang town of Yihuang Country, Fuzhou Prefecture, Luo Shengfa was recruited in 1984 for espionage activities by Taiwan's special agency in Hong Kong. In the past few years, Luo Shengfa, acting on instructions from the special agency of the enemy, has gathered and passed massive amounts of China's political and economic information to the agency. He was appointed by the agency as its special correspondent in Fuzhou Prefecture, Jiangxi Province, and was granted funds for conducting espionage activities.

With cooperation and support from the public, Jiangxi's state security organ apprehended Luo Shangfa in March after investigations, and confiscated secret equipment, instructions, and funds in connection with his spying activities.

SHANGHAI SECRETARY ATTENDS ENVIRONMENTAL MEETING

OW142054 Shanghai JIEFANG RABAO in Chinese 6 Jun 87 p 1

[Excerpts] Shanghai Municipality held a meeting on the morning of 5 June to mark the 15th anniversary of the United Nations Stockholm Conference on Mankind and Environment as well as World Environment Day for 1987.

Rui Xingwen, secretary of the municipal party committee; Ni Tianzeng, vice mayor; and Xu Yifang, vice chairman of the municipal CPPCC Committee, attended the conference. In his talk at the meeting, Vice Mayor Ni Tianzeng announced that in its environmental protection work for this year, Shanghai will stress pollution control and the formulations of zonal environmental protection plans. [passage omitted]

Ni Tianzeng also pointed out although Shanghai has achieved certain results in environmental protection, many problems still exist. Pollution is still serious and work on it is still arduous. Shanghai must rely on the whole society, mobilize the entire population, and launch a protracted campaign in order to clean up the entire environment. [passage omitted]

SHANGHAI LEADER VISITS SCIENTIFIC RESEARCH UNITS

OW142058 Shanghai JIEFANG RIBAO in Chinese 5 Jun 87 p 1

[Excerpts] Rui Xingwen, secretary of the Shanghai municipal party committee, visited several scientific research units in Shanghai yesterday to conduct investigations and studies, and inquire about the situation there. He said: In building socialism with Chinese characteristics, it is necessary to attach importance to developing the productive forces of the society.

Science and technology are productive forces. Socialist productive forces are to be developed through reform. I hope that scientific research forces in Shanghai will unite and contribute to the development of socialist productive forces in China.

Rui Xingwen heard a report on superconductivity research at the Shanghai Metallurgical Research Institute and the Silicate Research Institute, and viewed technological process and equipment, as well as scientific research achievements there. [passage omitted]

Rui Xingwen said: My visits to the two research institutes bring to mind the question of developing the productive forces. Scientific and technological departments are very important forces. The question of renewing our understanding of socialism concerns not only comrades engaged in party and government work, but also comrades in the scientific and technological field. Since we are still in the early stage of socialism, the question of developing productive forces is very important to us. After solving this question, we will be able to usher in the new technological revolution, and will understand that the two fundamental points are unified, interdependent, and indispensable. Only then can be consciously uphold the line, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee, and build socialism with Chinese characteristics. [passage omitted]

Zeng Qinghong, deputy secretary of the Shanghai Municipal CPC Committee, also took part in yesterday's investigations and studies.

HENAN MEETING STRESSES OPPOSING BUREAUCRATISM

HK150119 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 13 Jun 87

[Excerpts] The provincial government held a plenary meeting on 13 June, which called on the government at all levels and all departments to seriously study and implement the State Council decision on handling the accident of the Daxinganling forest fire, learn the lessons, resolutely oppose and eliminate bureaucratism, improve work style, and spur the progress of economic structural reform and all work. Leading comrades of the provincial party committee and government Yang Xizong, He Zhukang, Zhang Zhigang, Qin Kcai, Yao Minxue, Hu Tingji, Hu Tiyun, Liu Yujie, and Zhao Zhengfu attended the meeting. [passage omitted] In connection with the current problems in political and economic work in the province, the meeting advanced the following demands:

1. The government at all levels and its work personnel must firmly establish the idea of serving the people wholeheartedly. [passage omitted] Opposition to bureaucratism must begin with the leading organs and the leading comrades. The provincial government departments must draw up appropriate measures for eliminating bureaucratism.
2. Strict post responsibility systems must be established. On major issues it is necessary to practice division of responsibility and work and firm this up for each person. If problems arise, it is necessary to hold the leaders and personnel concerned accountable, in accordance with the regulations.
3. It is necessary to exercise strict supervision. [passage omitted] We must gradually establish a complete system of strict inspection and supervision.
4. We must rule the government with strictness and dare to tackle and take charge of problems. Cadres who have made mistakes should be educated or disciplined, as appropriate. Those who have violated the criminal law must be punished according to law. Officials are not allowed to shield each other. [passage omitted]
5. It is necessary to go deep into the grass roots to get to know the situation. [passage omitted]
6. Strive to improve the political and professional qualities of the cadre contingent, and strengthen their concept of law. [passage omitted]

HUNAN'S MAO ZHIYONG STRESSES PARTY BUILDING

HK130201 Changsha Hunan Provincial Service in Mandarin 0000 GMT 13 Jun 87

[Excerpts] Provincial CPC Committee Secretary Mao Zhiyong said at the provincial conference on summing up party rectification work, which concluded yesterday, that the party organizations at all levels must adhere to the principle of having the party govern itself well and get a good grasp of party building in conditions of reform and opening up.

The conference lasted 5 days. The participants studied the spirit of the national conference to sum up party rectification and the important speeches of leading central comrades. [passage omitted]

On the basis of the province's party rectification work assessment. Mao Zhiyong said: Success has been the main feature of the 3 and 1/2-year party rectification in Hunan. We have indeed resolved many problems and accumulated some useful experiences. However, some problems and shortcomings still exist, and the results are not very ideal. In particular, there are still many problems in party style. A few units have conducted party rectification in a superficial manner.

On how to grasp party building in the future, Mao Zhiyong stressed the following points from the angle of leadership work:

1. It is essential to adhere to the principle of having the party govern itself well, consciously fulfill the functions of the party organizations, and get a good grasp of building the party itself. At present we must focus on resolving two problems: First, we must deepen understanding of the extreme importance of building the ruling party. Second, we must correctly handle relations between party and government, and separate the two.

2. We must build the party into a strong leadership core, to ensure the implementation of the line since the 3d Plenary Session of the 11th CPC Central Committee. We must therefore center party building on the focal tasks and enhance the consciousness of the party members and cadres for implementing the line since the 3d Plenary Session of the 11th CPC Central Committee. We must have an all-round understanding of the mutual relationship between the two basic points in the line since the 3d Plenary Session of the 11th CPC Central Committee and maintain the unity of these two points. In the course of implementing the line since the 3d Plenary Session of the 11th CPC Central Committee, we must continually clear away interference from the left and the right.

3. We must learn how to do a good job in party building to meet the demands of the new situation under conditions of reform and opening up. Fundamentally speaking, reform and opening up constitute an effective spur for party building. At the same time, we must also realize the new characteristics in party building resulting from reforms and opening up. These main characteristics are: It is still harder to maintain the party's purity; and the demands on maintaining the advanced nature of the party are still higher.

On how party building can meet the demands of this new environment and conditions, Mao Ziyang put forward the following demands in his speech: 1) Make big efforts for bringing about an all-round improvement in the quality of party members. 2) Strictly enforce the party's discipline party style. 3) Do still better in implementing the guideline on four transformations of the cadre force. 4) Embark on a new path in party building in the course of comprehensively dealing with the various problems.

SICHUAN'S YANG RUDAI STRESSES STUDY OF SPEECHES

SH140231 Chengdu Sichuan Provincial Services in Mandarin 0000 GMT 14 Jun 87

[Text] According to SICHUAN RIBAO, provincial CPC Committee Secretary Yang Rudai stressed at a meeting of leading party-member cadres of the provincial organs convened by the provincial party committee yesterday: In view of various muddled and erroneous ideas inside and outside the party, the recent series of important speeches delivered by leading central comrades have given a complete and accurate exposition on the line since the 3d Plenary Session of the 11th CPC Central Committee, and in particular, they have fully clarified the two basic points in this line and the mutual relationship between them. These speeches are, beyond doubt, of far-reaching significance in enabling us to change these one-sided ideas, to consciously be vigilant against and overcome influence and interference by ossification and liberalization, to continually hold fast to the correct orientation and avoid wavering between left and right along the road of reform and construction, and to build socialism with Chinese characteristics.

The gathering was attended by leading comrades of the provincial party committee, Advisory Commission, Discipline Inspection Commission, People's Congress Standing Committee, government, and CPFCC; some retired veteran comrades; leading party-member cadres of the provincial organs; leading comrades of Chengdu City; party committee secretaries of large factories, mines, and other enterprises; party committee secretaries of tertiary education institutes; and directors of propaganda departments of all city and prefectural party committees, totalling some 1,500 persons, Provincial CPC Committee Deputy Secretary Nie Ronggui presided.

The main theme of Comrade Yang Rudai's report was: Seriously study and implement the spirit of the speeches of leading central comrades, get a clear idea on the relationship between the two basic points, and speed up the pace of reform and opening up.

The first part of Comrade Yang Rudai's report was entitled "correctly understand the relationship between the two basic points in the line of the 3d Plenary Session of the 11th CPC Central Committee." He said the relationship between the two basic points is: They run parallel and are both indispensable. They are as close as lips and teeth in complementing each other and they permeate each other and form an organic combination. Their relationship in running parallel to each other, with both indispensable, refers to their relationship in the line of the Third Plenary Session. Reform, including opening up and invigorating, is a new contribution and content of the line since the Third Plenary Session. However, when stressing this general principle and policy, the party has consistently adhered to the four cardinal principles that we have always upheld as the fundamental thing in building and governing the country.

Their relationship in being as close as lips and teeth in complementing each other refers to the mutual role of the two basic points. If the lips are gone, the teeth will be cold; if one is injured, the other will be too. If we only stress reform, opening up, and invigoration and forget about or run counter to the four cardinal principles, the reform and opening up will not be what we desire, and we will slide into bourgeois liberalization. If we only stress the four cardinal principles and start to doubt and waver over reform and opening up, we will be interpreting the four cardinal principles from an ossified viewpoint, and will thus belittle and affect reform and opening up, which will have an impact on bringing into play the superiority of socialism. This will also encourage the growth of bourgeois liberalization.

Their relationship in permeating each other and forming an organic combination refers to the basis for their existence and operation. That is to say, the existence and operation of the two basic points is not one of mutual separation and isolation, but of mutual inclusion into an entity. We cannot look at the four cardinal principles from an ossified or stagnant viewpoint; we must continually augment and develop the four cardinal principles in the practice of reform and opening up.

We must clearly understand that the line of the Third Plenary Session is to build socialism with Chinese characteristics. Its basic principles is to adhere to the four cardinal principles, and its general guideline and policy is reform and opening up. We must firmly establish this general guiding idea. Only if all fronts adhere to the four cardinal principles and carry out reform can we build a good order and smoothly forge ahead with socialist modernization.

The second part of Comrade Yang Rudai's report was entitled "we must not only persevere in reform but also speed it up." He said: The reforms launched by the 3d Plenary Session of the 11th CPC Central Committee have now been underway for 8 years. Reforms have brought steady growth in industrial and agricultural production and a marked improvement in urban and rural living standards. The state, the collective, and the individual have all gained tangible benefit. This is known and acknowledged by all.

Sichuan started the reforms early and has scored great achievements in them. The practice of the past 8 years has fully proved that reform is the way we must follow to build socialism with Chinese characteristics, and embodies the hope for China's economic invigoration.

Comrade Xiaoping recently stated repeatedly that opposition to bourgeois liberalization must not affect reform. We must not only persevere in reform but also speed it up. We must further implement the line of seeking truth from facts, emancipating the mind, and speeding up reform. Only thus will there be good prospects for our country. We should certainly not waver in our resolve in launching and implementing reform just because the ideological trend of bourgeois liberalization ran rampant for a time. The disturbance of last year has already been turned back, and the trouble is over. We must now guide everyone's efforts into reform and opening up. In the final analysis, solving the problem of bourgeois liberalization depends on education and reform. This problem can only be truly resolved amid reform and opening up.

Comrade Yang Rudai said: An ideological obstacle we have frequently encountered in carrying out reform in recent years is that of judging how good or bad the production relations are in isolation from the level of the productive forces. We must clearly understand that the basic theoretical guide for our reform is planned commodity on the basis of public ownership. If we apply the viewpoint of commodity economy to view the reforms, the achievements in reform will appear very great; but if we apply the viewpoint of product economy to view the reforms, we will hold that reform is chaotic. This shows that we must continue to vigorously break down certain ossified, outdated, and obsolete concepts in economic theory. We must proceed completely from China's reality. The most fundamental principle in economic construction and reform is to see whether they effectively develop the productive forces and ensure a gradual and continual improvement in living standards on that basis. This is the most important criterion for testing construction and reform.

Comrade Yang Rudai said: Our reforms have only just started. The road of reform is still very long. In conclusion, Comrade Yang Rudai put forward specific views and demands on the study and implementation of the series of recent important speeches delivered by leading central comrades.

SICHUAN REPORTS AN INCREASE IN GIFT GIVING

HK130329 Chengdu Sichuan Provincial Service in Mandarin 0000 GMT 13 Jun 87

[Text] According to SICHUAN CONGREN RIBAO, the practice of giving banquets and presenting gifts has become more and more serious this year and has reached an economically unbearable level for urban households. It constitutes an economic and mental burden for families with low incomes and many members. According to a survey of 2,150 urban households in 20 cities and counties, in the 1st quarter of this year each family gave an average of 64.62 yuan in cash gifts, an increase of 37.5 percent over the same period of last year.

Banquets are given and gifts presented for a wide variety of pretexts, and there is competition in ostentation and lavishness. Cash gifts have increased from a few yuan or 10 yuan originally to several tens of yuan and as much as 100. The cost of non-agricultural households throughout the province during one quarter would reach 200 million, representing 6.9 percent of the actual income of urban households.

This shocking level of presenting gifts cannot but arouse our attention.

SICHUAN URGES CURBING IMPOSITIONS ON FACTORIES

HK140637 Chengdu Sichuan Provincial Service in Mandarin 0000 GMT 14 Jun 87

[Excerpts] The provincial government recently issued a circular demanding that all localities and departments resolutely curb the practice of imposing charges and fees on factories. The circular stipulated that the people's government at all levels and the provincial departments must follow the State Council's demands and seriously take stock of charges and fees imposed on the enterprises since 1982. In the future, no arbitrary fees and charges may be imposed under any pretext without the approval of the State Council and the provincial government. The enterprises have the right to resist arbitrary impositions. [passage omitted]

The circular pointed out: It is essential to strictly control the issue of local bonds and enterprise bonds of all types. Apart from implementing the provincial government's urgent notice on temporarily halting the issue of local bonds and forbidding any increase in the burden on the enterprises, it is forbidden to buy bonds with the enterprises; fixed assets depreciation capital, the capital for major overhauls and repairs, the capital allocated for various special items as regulated by the state, and the capital stipulated by the state to be spent on technological transformation.

LIAOWANG VIEWS POLICY ON 'THREE EXCHANGES'

HK110936 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No. 22, 1 Jun 87 pp 22, 23

[Article by Li Shuiwang (2621 3055 2489): "The Trend Demanding 'Three Exchanges' in Taiwan"]

[Text] Recently, a ground swell of public opinion urging KMT authorities to effect "three exchanges" has started in Taiwan again. This is a striking tendency in the development of the current political situation of Taiwan.

In the 7 years from 1979 to the present, the demands for "three exchanges" and contacts on Taiwan Island have continued and over the past 2 to 3 years, public opinion has gradually run high and three wave crests have emerged one after another.

The first wave crest appeared in spring and summer of 1985. At that time, the "Legislative Yuan" of Taiwan started a big dispute on entreport trade. Many "members of the Legislative Yuan" of the KMT lashed out at the Ministry of Economic Affairs of Taiwan for its equivocal attitude toward entreport trade and at the information and public security departments for being "too sensitive" and "too ossified" and appealed to Taiwan authorities to "adopt an unequivocal attitude toward" and to "legalize" entreport trade. While the "Legislative Yuan" was starting the dispute, a demand for the expansion of entreport trade was formed in society and many personages of industrial and commercial circles, experts, scholars, newspapers, and journals published articles or issued talks, pointing out that entrepot trade was "an irresistible trend" and "could resolve Taiwan's economic difficulties" and the authorities should not "forcibly impose restrictions" but study and formulate "appropriate" policies. In August, at a "Seminar on economic reform in the China mainland and on the tactics of economic development of Taiwan" held by KUNG SHANG SHIH PAO [INDUSTRY AND COMMERCE TIMES] in Taipei, many of the 100 scholars and experts from Taiwan and abroad attending proposed that Taiwan authorities should handle the problems of entrepot trade with a "rational and flexible" attitude and in a "principle of separating political affairs from economic affairs." Even senior officials, including Yang Chi-tseng, former "Minister of Economic Affairs" and Wang Yi-ting, former "Vice Minister of Economic Affairs" also publicly declared if Taiwan "excessively" restricted trade between the two coasts of the strait, it would bring "more harm to it" and they appealed to the authorities to "consider relaxation" and "to deal with the problems with a more enlightened attitude." While people were appealing for effecting exchange of trade, demands of Taiwan authorities for a change in their rigid attitude toward mainland China and for the implementation of "practical, rational, and flexible" policies toward mainland China were also on the increase. In June TZU LI WAN PAO published an editorial, demanding that Taiwan authorities "formulate a set of basic policies toward mainland China suitable to the times"; in August, Shen Chun-shan, dean of the Faculty of Sciences of Ching-hua University, Taiwan, wrote an article, holding that the policies of Taiwan toward mainland China "should proceed from the perceptual to the rational" and that a pressing matter of the moment was to formulate an open, clear, and definite policy as soon as possible." At a forum held by CHUNG HUA TSA CHIH [China Magazine], some 20 university professors and distinguished personages of society attending expressed "a hundred percent agreement" on some people's speeches, criticizing the KMT's "mentality of three no exchanges" and "their reactions were strong." Some people pointed out that the KMT's "policies of three no exchanges" were "too passive" and that if they did not "change over to new ways," it was "just like digging a grave for themselves."

The second wave crest appeared around the time the CAAC cargo plane incident occurred in May 1986. In April, Kaohsiung Municipal Council, Taiwan, adopted a motion, demanding that Taiwan authorities permit people of other provinces to communicate with their relatives by letter "so as to comfort their relatives" and this motion roused sympathy in society very quickly. Hsieh Hsueh-hsien, "member of the Legislative Yuan" and member of the Young China Party, and some newspapers demanded that the authorities accept the Kaohsiung Municipal Council's suggestion and examine the pressing policies toward mainland China. As from the beginning of May, the question of dealing with the CAAC cargo plane problem became the Taiwan media's center of attention. Some "members of the legislative Yuan," including Cheng Yu-chen and Hsiao Jui-cheng, addressed emergency inquiries at the "Legislative Yuan" and many experts, scholars, newspapers, and journals also published articles and speeches, urging Taiwan authorities to "reappraise the impractical 'policy of three no exchanges'," to "discard" the previous method of ossification, and to solve the CAAC cargo plane problem with a "flexible attitude." This put very great pressure on the Taiwan authorities. According to the investigation conducted by the Taiwan Public Opinion Poll Association, after the resolution of the CAAC cargo plane incident through negotiation, 75 percent of the Taiwan people "expressed affirmation" of the authorities' method which was more "flexible" than before and which was adopted under pressure and some "members of the Legislative Yuan," "members of the Control Yuan," scholars, and experts hoped that in future, the authorities would follow the method of solving the CAAC cargo plane problem through negotiation and "could continue to make breakthroughs at more levels."

The third wave crest has happened in the period from February this year up to the present. Compared with the previous two wave crests, there are marked characteristics in the trend of the public opinion on the relationship between the two coasts of the Taiwan Strait.

First, giving more prominence to the problems of visiting relatives and exchanging mail has become the common voice of people of all quarters who take a supra-party and supra-ideology stance. At the 79th meeting of the Taiwan "Legislative Yuan" commencing in February, demands for lifting the bans on exchanging mail and visiting relatives became the main contents of the inquiries addressed by many "members of the Legislative Yuan" who had different party backgrounds. In the course of addressing inquiries, Hsieh Hsueh-hsien, "Chairman" of the Young China Party, criticized the Taiwan authorities' policy of banning contacts between the two coasts of the strait saying it ran counter to the will of Taiwan compatriots and he proposed that "contracts with the compatriots of mainland China in form and in essence could not be suspended for a single day, in particular, people whose native places were provinces of mainland China should not be prohibited from their nonpolitical acts of going to mainland China to visit their relatives to pay respects to dead persons at their tombs, or by writing letters and should even be shown solicitude and assisted on the basis of human sympathy." The policies of separating relatives and suppressing affection for relatives could not gain forgiveness." He appealed to Taiwan authorities to "make a prompt decision at this moment, to get rid of all difficulties, and to alleviate the 50-year spiritual pain of this group of old people with one foot in the grave." The speeches of a group of the "augmented members of the Legislative Yuan" who belonged to the younger group of KMT also attracted people's attention. Based on the stand of human sympathy, people, including Chao Shao-kang, Li Sheng-feng, and Hung Chao-nan, advocated that the authorities should help separated families of the two coasts between the Taiwan Strait to reunite and give them freedom to write one another and those who felt homesick and returned to mainland China to visit their relatives after passing through many different places should not be punished after their return to Taiwan by not being permitted to leave Taiwan any more or by having their pensions suspended nor should they receive other punishments.

They proposed that "the innocent citizens should not be made to suffer alone from this era's tragedy": Their relatives on the two coasts had been separated from each other for a long period of time in the past and demanded the authorities to "revise" the policies on visiting relatives and communicating by letter. Huang Chu-wen, "member of the Legislative Yuan," vigorously urged the Taiwan authorities to relax the restrictions on the entry of the relatives of the personnel who had gone to Taiwan from mainland China and to "provide that the directly-related family members, spouses, and collateral relatives of people in Taiwan, aged 60 and over, could enter without any restrictions." In addition, many newspapers and journals of various backgrounds also demanded the Taiwan authorities take "breakthrough" measures for people-to-people exchanges, for visits to relatives, and for exchange of mail. TAI YANG TSA CHIH [SUN magazine] run by nonparty personages proposed that the KMT should "remove man-made obstacles" and "effect three people-to-people exchanges" as soon as possible; CHUNG KUO SHIH PAO demanded that the authorities "open to a certain extent" in the aspects of importing PRL commodities and books into Taiwan, the exchange of mail, and the travel of people of the two coasts between the straits. Even "SAO TANG" CHOU KAN [mop-up weekly] which was well-known for its conservative viewpoints demanded that Taiwan authorities permit compatriots, who had gone to Taiwan, to go to mainland China to visit their relatives and to pay respects to the dead at their tombs.

Second, more and more KMT personages have opposed the authorities' "Policy of three no exchanges." According to a report by Taiwan TZULI WANPAO, the outstanding feature of the general inquiries at the 79th meeting of the "Legislative Yuan" was the contents of the inquiries concentrated on the subject "political innovation" and of these inquiries, two items of contents which demanded "reappraisal of the policy of three no exchanges" and "reinforcement of the central public opinion organ" were the "focus" of the dispute.

In about one-fifth of 101 verbal inquiries of the "members of the Legislative Yuan," authorities were criticized and the majority of these inquiries were addressed most vigorously by "augmented members of the Legislative Yuan" who were KMT Members. This was an unprecedented phenomenon. People, including Chao Shao-kang, Li Sheng-feng, and Hung Chao-nan, were the first to make themselves heard, addressing inquiries on many occasions and pointing out that the "policy of three no exchanges" had become the "main reason for current social misgivings and disputes in Taiwan." They demanded that the authorities get rid of the unnecessary "morbid fear of communism" and adopt "more flexible, clearer, and more definite policies toward mainland China."

In their inquiries, "senior members of the Legislative Yuan," including Hu Chiu-yuan, who were KMT members, required Taiwan authorities to "reexamine the 'policy of three no exchanges'." and to "immediately lift the bans" on communicating by letter between the compatriots of the two coasts of the Taiwan Strait and on returning hometowns to visit relatives. Chiu Hung-ta, a scholar in the United States, who was a MKT member, wrote an article in SHIPAO HSINWEN CHOUKAN [TIMES NEWS WEEKLY], pointing out that the "'policy of three no exchanges' implemented up to the present was found contradictory and irrational according to human feelings, reason, and law and should change." He suggested that the authorities "should rationally readjust their relations with Mainland China."

Third, demands for "three exchanges" and contacts have developed from individuals demands to organizations' demands and demands made in statements have developed to practical actions. This is mainly expressed in the further development of the tendency of Taiwan compatriots to go to mainland China to visit their relatives and to go sightseeing in Mainland China. According to estimates, over 10,000 people have so far done so.

Fourth, the advocating of public opinion has developed to putting forward specific suggestions. Demands for "three exchanges" were only advocated by public opinion in the past but various specific suggestions have now been further put forward. In the inquiries in the "Legislative Yuan," We Te-mei, "member of the Legislative Yuan," who was a KMT member, suggested that the Taiwan authorities should follow the South and North Korean method whereby relatives of whom no news had been had for years were able to meet each other in Panmunjom, and set up in Penghu a "special zone for meeting relatives" so that relatives of the two coasts of the strait of whom no news had been had for years could meet each other again. Taiwan "MINCHUNG JIHPAO [COMMON PEOPLE DAILY NEWS] also published an article, demanding that Quemoy be designated as a "relatives meeting zone." However, Huang Ming-ho, "member of the Legislative Yuan" without party affiliation, urged the authorities to use for reference the "CAAC pattern" of talks between both parties or the South and North Korean mode of arrangements through the International Red Cross Society and to "hold meetings of relatives" so that relatives and friends separated from each other for 30 years could meet again and "enjoy family happiness together."

In recent years, in the wake of the development of the trend that all strata in Taiwan have demanded the "revision of the policy of three no exchanges" and the effecting of "three exchanges," the pressure on Taiwan authorities has become greater and greater. The KMT authorities' specific tactics and method toward mainland China have become slightly flexible but their basic policies, have, on the whole, not changed. Recently, some figures in authority in Taiwan have still played the same old tune of "three no exchanges," saying that after the "examination of the current situation, it is still not suitable to permit Taiwan people to go to Mainland China to visit their relatives or to exchange mail with Communist China." The incidents of investigating and punishing Taiwan compatriots for exchange of trade with Mainland China have even happened one after another. This runs counter to the economic tendency and people's desires. Public opinion in Taiwan holds that if the KMT authorities do not change by following the tendency, and develop policies toward Mainland China with a calm and rational attitude," and "seek a breakthrough," they will make their own situation more difficult.

WANG ZHEN MEETS TAIWAN FILM ARTISTS IN BEIJING

OWO31742 Beijing XINHUA in English 1448 GMT 3 Jun 87

[Text] Beijing, June 3 (XINHUA) -- Wang Zhen, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, met and feted here today noted Taiwan film director Fong Chiung, and film and TV star Chou Wan I.

During the meeting Wang congratulated on the film "The Experiences of a Monk", which was jointly produced by the Taiwan Fong Chau Film (H.K.) Co., and China's Tianshan Film Studio.

The film, the first one jointly produced by the film artists of the two sides of the Taiwan Strait, will be on show shortly.

DPP, NATIONALISTS CLASH IN STREET DEMONSTRATIONS

OW131336 Taipei Domestic Service in Mandarin 2300 GMT 12 Jun 87

[On-the-spot report by reporters of the Broadcasting Corporation of China (Wan Chengchung, Chen Ming-wen, Chan Taoshang, Chen Shih-hsiung and Chen Taichia)]

[Excerpts] The so-called masses who sided with the Democratic Progressive Party [DPP] gradually gathered in the vicinity of the Lai Lai Shangri-la Hotel and the Taipei City Council after 1200 hours on 12 June. The masses of another group -- the Anticommunist Patriotic Front -- also began to congregate at the entrance to the Legislative Yuan beginning on the morning of 12 June. They displayed national flags, made speeches, and sang patriotic songs. Their activities were aimed at countering the DPP demonstration. Around noon, there was a small scuffle because some people tried to tear down the national flags. Several people received minor injuries. However, the police succeeded in separating the two groups so the fight did not get worse. During the scuffle, (Chang Chai-min), head of the Thunderbolt police squad, was hit near his right eye by a flagstaff. Twelve stitches were needed to treat the wound near his right eye and 7 stitches needed to treat the wound on his head. At the same time, a news reporter was beaten, as he was wrongly identified as a member of the Anticommunist Patriotic Front. In order to prevent the two groups from colliding with each other in a head-on clash, the police adopted strict measures to separate the two groups. At the same time, the police also tried to act as a peacemaker between the two. But, the police failed to achieve their goal. [passage omitted]

With the police trying to make peace between the two groups and separate them, both sides made speeches and sang songs at the entrance to the Legislative Yuan on Chungshan North Road. Some of the DPP supporters also made speeches at the entrance to the Taipei City Council. After 1600 hours, more than 100 DPP supporters began their parade from Chunghsiao East Road toward Linsen South Road. Near the tunnel on Linsen South Road, Chiang Yuan-you, head of the police's Chungshan substation, urged the demonstrators not to obstruct traffic. However, he was shoved to the ground and beaten. Later, the same group of demonstrators broke the cordon. As a result, a uniformed policeman Wu Fa-ming received injuries with a possible cerebral concussion. When he was rushed to the Mackay Memorial Hospital for emergency treatment, he said that he would file charges in court after his wounds were examined and verified.

The school and government offices began to close after 1700 hours. The traffic became even more congested. Vehicles were unable to move. All this angered the masses. [passage omitted]

At the same time, some college students whose classes had ended were nearly beaten in the vicinity of the Taipei City Council because they had national flags with them. [passage omitted]

In addition to the serious traffic jam, some of the stores in the vicinity of the scene also closed their doors as a safety measure. Several schools nearby were forced to close down ahead time. However, those students whose classes were over could not go home, as they were caught in the traffic jam. [passage omitted]

The masses gathering in the vicinity of Chungshan South Road began to march along Tsinan Road, Hsuehou Road, and Shaohsing South Road. When they passed the Kainan Institute of Commerce and Industry, they clashed with the students there because some of the students from the institute loudly expressed their discontent about the demonstration. The masses broke through the iron guard rails, injuring four male students and one female student.

The DPP activities were said to conclude at 1800 hours. However the DPP-supporting masses continued to make speeches at the plaza in front of the Telecommunications Bureau on Jen Ai Road. It was not until 1830 hours that they finally concluded. But, even then a few DPP supporters returned to the entrance of the Legislative Yuan and started another confrontation with the Anticommunist Patriotic Front. The stalemate lasted until late in the evening. During this incident, the hardest working people were the policemen. They guarded their posts under the scorching sun, exercising the utmost forbearance. They refused to hit back when they were hit and declined to return abuses when they were cursed. Many of the people voluntarily wiped sweat from the heads of the policemen and offered them tea and cold water, showing the warm side of society.

More on Demonstration

OW140537 Taipei International Service in English 0200 GMT 14 Jun 87

[Excerpts] Opposition and right wing demonstrators wielded wooden poles, hurled stones, and struck with bare fists in a clash outside the Legislative Building in Taipei Friday morning. [passage omitted]

In related news, an official of the National Police Administration said Friday night: Police authorities will collect evidence against those responsible for violent acts on Friday's street demonstrations and turn them over to the courts for prosecution. Reaffirming determination to maintain law and order, the official said that the opposition-sponsored street demonstrations in the last 3 days have gone beyond the limits of law. The official said that the demonstrators not only obstructed the discharge of official police duties in creating traffic chaos but also resorted to violence against police personnel, students, reporters, and onlookers. He added: This can no longer be tolerated.

Ranking Kuomintang officials and law enforcement agencies also held an emergency meeting Friday night to discuss the escalation of the opposition (through) politics in protest of state security bill. The (?conference) reportedly expressed grave concern about the latest development and [words indistinct] the question whether to put a stop to the situation. About 500 members of the opposition DPP [Democratic Progressive Party] and their supporters took part in Friday's demonstration. The demonstration began at noon in front of the Legislative Yuan Building.

In another news, well-placed Kuomintang sources said: President Chiang Ching-kuo is deeply concerned about opposition disturbances during protests in the past few days. The sources said: In his capacity as chairman of the ruling Kuomintang, Chiang summoned the party's Secretary General Ma Shu-li Thursday evening to inquire about the matter. Ma gave the president a detailed account of the opposition DPP protest outside the Legislature Building against the national security law. Ma also informed the president about the dissidents marching through Taipei streets in the evening and clashes with individuals opposed to the opposition.

Premier Orders Investigation

OW150305 Taipei CNA in English 0241 GMT 15 Jun 87

[Text] Taipei, June 15 (CNA) -- Premier Yu Kuo-hwa Sunday ordered a quick investigation of the latest disturbances in Taipei and said that those violating the law should be duly punished.

Yu issued his directives at a meeting with Minister of Interior Wu Poh-hsiung, Minister of Justice Shih Chi-yang and Director General Lo Chang of the National Police Administration.

At the meeting, he gave his regards to the policemen for their efforts in maintaining order during last Friday's street clashes.

He reiterated the government's determination to ensure a peaceful and pleasant living and work environment for all citizens, saying that this is the government's responsibility to maintain national security and social order. Among his directives:

-- The government's policy of promoting political reforms will absolutely not change. Any illegal acts will be dealt with according to the law as democracy and the rule of law are inseparable, and

-- Government agencies should take legal actions against the law-breakers as quickly as possible, and stringent precautions should be taken to prevent similar incidents from occurring in the future.

HONG KONGPRC OFFICIAL 'OPPOSED' TO 1989 ELECTIONS

HK130718 Hong Kong SOUTH CHINA MORNING POST in English 13 Jun 87 p 2

[By Chris Yeung]

[Text] Senior Chinese official Mr Li Hou said yesterday he was personally opposed to direct elections to the Legislative Council next year.

The explicit view on the controversial issue which is at the centre of the present political review was made by Mr Li prior to his departure for Beijing after attending two Basic Law sub-group sessions which ended on Thursday.

Mr Li is deputy director of the Hong Kong and Macao Affairs Office under the State Council.

China's stand had always been that there should not be any major changes to the present political system before the Basic Law was promulgated in 1990, he said.

Asked if the political sub-group members had adopted an outsider's stand in not debating the issue of direct elections at their discussions, Mr Li said: "Our stand on direct elections in 1988 is very clear. I personally agreed that direct elections should not be introduced next year.

"We have not yet made ourselves clear over direct elections after 1997. This is mainly because we think the respective duties and powers of the chief executive, executive and legislature as well as their relationship have to be hammered out first.

Meanwhile, another drafter, the Right Reverend Peter Kwong, who is head of the Hong Kong and Macao Diocese of the Anglican Church, said direct elections could be introduced next year provided candidates were screened.

He said the Green Paper had failed to define the crucial terms direct and indirect elections and the nomination procedures of candidates in elections.

Mr Kwong said people who opposed direct elections feared that anyone who could muster support from a small group of people could be nominated and elected to the law-making body.

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